

# Responsible Choices

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ANNUAL MEETING  
OF SHAREHOLDERS  
**2020**

iA Financial Corporation Inc.

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# Notice of the 2020 Annual Meeting of Common Shareholders of iA Financial Corporation Inc.

## When?

May 7, 2020  
2:00 p.m. (Eastern time)

## Where?

Virtual-only meeting via live audio webcast online at the following address:  
<https://www.icastpro.ca/eia200507a>.  
Please refer to section "Meeting Information" of the circular to obtain login instructions.

## Agenda

At our 2020 Annual Meeting, Common Shareholders of iA Financial Corporation Inc. will be asked to:

- 1) receive the consolidated financial statements of iA Financial Corporation Inc. and the report of the external auditor for the year ended December 31, 2019;
- 2) elect the directors of iA Financial Corporation for the ensuing year;
- 3) appoint the external auditor for iA Financial Corporation for the ensuing year;
- 4) vote on an advisory resolution on iA Financial Corporation's approach to executive compensation;
- 5) examine the shareholder proposals; and
- 6) transact such other business as may be properly brought before the Meeting.

The Annual Meeting of Industrial Alliance Insurance and Financial Services Inc. will be held at the same time and on the same webcast.



## For your information

Please refer to section "Meeting Information" for all voting information.

Quebec City, Quebec, March 9, 2020  
iA Financial Corporation

A handwritten signature in cursive script that reads "Jennifer Dibblee".

Jennifer Dibblee  
Corporate Secretary

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# Message from the Chair of the Board of Directors

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## Responsible Governance

It gives me great pleasure to invite you to the iA Financial Corporation Inc. Annual Meeting, which will be held on Thursday, May 7, 2020 at 2:00 p.m. via live audio webcast online at <https://www.icastpro.ca/eia200507a>. This will be an opportunity for us to discuss various aspects of the Corporation's governance.

This year, as a precautionary measure to proactively address the public health impact of coronavirus disease (COVID-19), to mitigate health and safety risks to our shareholders, employees and other stakeholders, and to abide by some of the Government of Québec's directives and recommendations, we will hold our Annual Meeting in a virtual-only format. The Annual Meeting will thus be broadcasted live online. Shareholders will have an equal opportunity to participate in the Annual Meeting online, regardless of geographic location. At the Annual Meeting, shareholders will have the opportunity to ask questions and vote on a number of important topics.

We value candid, open and continuous discussion with you, in the spirit of good governance of which we are proud.

I would also like to point out that iA Financial Group ranked seventh in the 18th edition of Board Games, a ranking by *The Globe and Mail*, which assesses, on an annual basis, governance in Canadian companies. In 2019, 224 Canadian listed companies were evaluated using rigorous criteria, in particular transparency, shareholder rights, rules governing shareholding and board composition. It is an honour for us to place for the first time in the top 10 of this prestigious Canadian ranking.

## Two Boards of Directors

After passing all the regulatory milestones and obtaining the approval of our shareholders, iA Financial Corporation became the group's parent company on January 1, 2019. I have the honour of now chairing two boards of directors: that of iA Financial Corporation Inc. and that of Industrial Alliance Insurance and Financial Services Inc. The composition of these two boards is the same.

In 2019, certain changes occurred among the Board of Directors.

Ms. Mary C. Ritchie as well as Mr. Robert Coallier and Mr. Michael Hanley left the Boards. I would like to thank them for their substantial and highly appreciated contribution to our work.

Three new directors joined us: Ms. Monique Mercier, Ms. Ginette Maillé and Mr. Benoit Daignault. Through their vast experience and qualities, these distinguished directors greatly contribute to the Board's activities.

The Board of Directors has 12 directors, 11 of whom are independent members. Furthermore, 42 % of the members are women.

## Sustained Creation of Growth

The directors are pleased to note that the Corporation once again demonstrated real drive in the creation of growth.

In this regard, I would like to draw your attention to three elements.

The first is that the Corporation announced, on August 29, 2019, the creation of the new position of Chief Growth Officer. This strategic position was entrusted to Michael L. Stickney, an executive officer who, in his previous roles, worked on developing sectors that now contribute significantly to the Corporation's results. Mr. Stickney oversees growth initiatives for all lines of business in both Canada and the United States.

Second, at the end of 2019, iA Financial Corporation announced its intention to acquire the American company IAS Parent Holdings, which will be the largest acquisition in its history. 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.

This acquisition is part of the solid strategic plan which the Corporation has put in place for the next few years.

And third, sales in 2019 once again posted strong growth. For example, segregated fund sales generated outstanding results. The two divisions of the U.S. Operations, namely Individual Insurance and Dealer Services, maintained their

solid growth momentum. Several other business units also achieved noteworthy sales, including Group Savings and Retirement and Industrial Alliance Auto and Home Insurance.

### Sustainable Development

The Corporation also took significant steps toward sustainable development. Since April 17, 2019, iA Financial Group became a signatory of the United Nations Principles for Responsible Investment (PRI).

Later, on December 13, 2019, iA Financial Group announced its commitment to becoming carbon neutral by maximizing its efforts to reduce its residual greenhouse gas (GHG) emissions at the source and by offsetting its residual GHG emissions through the purchase of carbon credits.

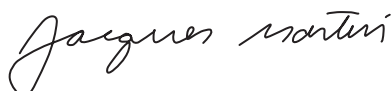
### Annual Meeting

In this Circular, we are providing you with extensive information on our governance that I encourage you to review.

I also invite you to exercise your voting rights, either by online ballot at the Annual Meeting, or by telephone, online or by completing the proxy form attached hereto.

On behalf of iA Financial Corporation's Board of Directors and executive officers, I would like to sincerely thank you for your trust and support.

I look forward to discussing with you at the Annual Meeting on May 7, 2020.



Jacques Martin  
Chair of the Board

Key financial results (as at December 31, 2019):	
Net income attributed to Common Shareholders:	687.4 million dollars
Earnings per share (diluted)	\$6.40
Return on equity	12.9 %
Solvency ratio	133 %
Premiums and deposits	11.4 billion dollars
Assets under management and administration	189.5 billion dollars
Book value per common share	\$51.99

# Meeting Information

It is our priority to maintain a dialogue with our Shareholders and take every possible opportunity to know your opinion on various issues. The Annual Meeting is an opportunity to facilitate this open and candid communication with you. We invite you to take part in the Meeting online or by proxy.



## For your information

- The Circular is part of the solicitation of proxies by the management of iA Financial Corporation Inc. (the "**Corporation**" or "**iA Financial Corporation**"), for use at the 2020 Annual Meeting. Herein you shall find important information required to exercise your voting rights.
- This year, as a precautionary measure to proactively address the public health impact of coronavirus disease (COVID-19), to mitigate health and safety risks to our shareholders, employees and other stakeholders, and to abide by some of the Government of Québec's directives and recommendations, we will hold our Annual Meeting in a virtual-only format. The Annual Meeting will thus be broadcasted live online. Shareholders will have an equal opportunity to participate in the Annual Meeting online, regardless of geographic location. At the Annual Meeting, shareholders will have the opportunity to ask questions and vote on a number of important topics.
- You have received the Circular because you held, at the close of business on March 9, 2020, Common Shares of iA Financial Corporation ("**Common Shares**"). Unless otherwise indicated, the information contained in the Circular is up to date as of March 9, 2020 and all amounts are in Canadian dollars.
- In order for a proxy to be voted at the Annual Meeting, the properly completed proxy form must be received by Computershare Investor Services Inc., 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1, no later than 5:00 p.m. (local time) on May 5, 2020, or 48 hours before any adjournment(s) thereof.

## Questions Submitted at the Annual Meeting

### Our Financial Statements

Before January 1, 2019, iA Financial Corporation had no operations or assets. As a result, the financial statements for the year ended December 31, 2019 that will be presented at the Meeting will be the first audited and consolidated financial statements of iA Financial Corporation as reporting issuer. iA Financial Corporation is a successor issuer, as defined in securities regulations, in relation to Industrial Alliance Insurance and Financial Services Inc. ("**iA Insurance**"). You will find our financial statements in our *2019 Annual Report*, which is available on our website at ia.ca and on the SEDAR website at sedar.com.

### Election of Directors

The term of office of each of the current directors expires at the close of the Meeting. Twelve directors will be elected at the Meeting. Each director elected at the Meeting will hold office until the close of the next Annual Meeting, unless he or she resigns or otherwise vacates his or her office. In accordance with our *Policy Regarding the Election of Directors*, a candidate who receives a number of abstentions higher than the number of votes in his or her favour is required to submit his or her resignation to the Board. Information on our *Policy Regarding the Election of Directors* and on nominees for director positions can be found on page 11 and following.



**Vote FOR**

The Board recommends that you vote FOR each director nominee as proposed by the Corporation.

## Appointment of the External Auditor

You will vote regarding the appointment of the external auditor. Deloitte LLP ("Deloitte") has been our external auditor since 1940.

A rigorous Canadian regulatory framework governs the independence and objectivity of the external auditor. The Canadian Public Accountability Board and the provincial orders provide oversight of accounting firms that audit Canadian reporting issuers. Rotation of the managing partner in charge is required at least every seven years. The last rotation occurred for the audit of the 2019 fiscal year, after a six-year term. Deloitte Canada has policies and procedures designed to ensure compliance with applicable professional standards of independence. The firm has adopted a policy that provides for certain restrictions on the hiring of partners or employees of the auditor.



**Vote FOR**

The Board recommends that you vote FOR the appointment of Deloitte LLP as external auditor.

The Audit Committee annually evaluates the performance and the quality of the work performed by Deloitte and declares its satisfaction therewith. The Corporation believes having the same external auditor for some time contributes to a higher quality of audit services. Its institutional knowledge of the Corporation's operations also leads to efficiencies gained from experience and to being proactive on issues that extend beyond the annual mandate. The Shareholders benefit from this experience since the Corporation benefits from more competitive fees.

In accordance with its mandate, the Audit Committee oversees the independence of the external auditor and approves all audit services and determines non-audit services that may be provided by the external auditor. The Committee or, as the case may be, its Chairman pre-approves all non-audit services that the Corporation's external auditor may provide to it or its subsidiaries, all in accordance with the *External Auditor Independence Policy* and applicable regulations. During 2019, the Audit Committee obtained written confirmation from Deloitte confirming its independence and objectivity in relation to the Corporation, in accordance with the Code of ethics of Quebec's chartered professional accountants.

For the 2020 financial year, and in accordance with the recommendation of the Audit Committee and of the Board, it is proposed that Deloitte be reappointed at the Meeting as external auditor of the Corporation, to hold office until the close of the next Meeting, and that the auditor's compensation be determined by the Board of Directors.

In 2019 and 2018, we paid out the following fees to Deloitte:

	2019 (thousands of dollars)	2018 (thousands of dollars)
<b>Audit fees</b>	2,232	1,877
These fees were incurred to audit the financial statements of iA Financial Corporation, iA Insurance, and its segregated funds.		
<b>Audit Fees of Subsidiaries</b>	2,321	1,867
These fees were incurred to audit the financial statements of certain subsidiaries of iA Financial Corporation, with the exception of iA Insurance.		
<b>Total Audit Fees</b>	<b>4,553</b>	<b>3,744</b>
<b>Audit-related fees</b>	1,018	693
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.		
<b>Tax fees</b>	-	-
<b>Other fees</b>	336	281
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.		
<b>Total</b>	<b>5,907</b>	<b>4,718</b>

## Advisory Resolution on Executive Compensation

You will participate in an advisory, non-binding vote regarding a resolution on executive compensation. Our executive compensation program is intended to attract, motivate, reward and retain the senior management talent required to achieve our objectives and increase Shareholder value. Our compensation program is discussed in more detail on pages 59 and following. We believe that the executive compensation for 2019 is reasonable and appropriate, is justified by the Corporation's performance, and is the result of a considered, largely pre-established formulaic approach.

We have held this advisory vote each year since 2010. The Board feels Common Shareholders should have the opportunity to thoroughly understand our executive compensation objectives, principles and foundations and to speak out on our approach thereto. The vote does not bind the Board. However, the Human Resources and Compensation Committee will consider the outcome of the vote together with any comments obtained through other communication with Shareholders when evaluating the executive compensation program.

Last year, 89.66 % of Common Shareholders voted FOR our approach to executive compensation and since the advisory vote was introduced, it has received an average approval rate of 91.28 %. We are presenting this proposal, which gives you, as a Common Shareholder, the opportunity to endorse our executive compensation program by voting on the following resolution:

**BE IT RESOLVED**, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, **THAT** the Common Shareholders accept the approach to executive compensation disclosed in the Information Circular of the Corporation dated March 9, 2020.



**Vote FOR**

The Board recommends that you vote FOR the advisory resolution on the approach to executive compensation.

## Shareholder Proposals

Ms. Johanne Elsener and Ms. Hélène Dufresne sent to iA Financial Corporation three proposals to be included in the Information Circular. We have reproduced the full text of these proposals and the responses of iA Financial Corporation thereto on pages 96 and following.

Shareholder proposals for our 2021 Annual Meeting must be received no later than December 9, 2020 in order to be included in our 2021 Proxy Circular. Proposals must be made in writing and comply with the requirements of the *Business Corporations Act* (Quebec) that you may consult on the Légis Québec website at [legisquebec.gouv.qc.ca](http://legisquebec.gouv.qc.ca).

**Please send your proposals to the following address:**

Corporate Secretary  
iA Financial Corporation Inc.  
1080 Grande Allée West  
P.O. Box 1907, Station Terminus  
Quebec City, Quebec G1K 7M3  
Email: [secretariat\\_corporatif@ia.ca](mailto:secretariat_corporatif@ia.ca).



**Vote AGAINST**

The Board recommends that you vote AGAINST these Shareholder proposals for the reasons set out after these proposals.

## Consideration of Other Matters

As at the date of this Circular, iA Financial Corporation is aware of no amendment to the matters discussed above nor of any other matters that may come before the Meeting. In the event an amendment to the matters discussed above or new matters come before the Meeting, with the exception of amendments or additions concerning the election of directors, your Proxy holder may exercise voting rights attached to your shares regarding such matters in accordance with their best judgment.



## Delivery of Meeting Materials

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### Notice and Access

As allowed by the Canadian Securities Administrators, we use notice-and-access to deliver this Circular to both Registered Shareholders and Beneficial Owners. As such, you received by mail a notice indicating how to obtain the Circular electronically and how to request a paper copy. You also received a form of proxy or a voting instruction card enabling you to vote your shares.

Notice-and-Access allows for faster access to this Circular, helps to lower the printing and mailing costs incurred, contributes to environmental protection and is consistent with our sustainability strategy.

You may obtain a copy of the Meeting Materials on our website at [ia.ca](http://ia.ca) or on the SEDAR website at [sedar.com](http://sedar.com).

You can request free of charge a paper copy of the Meeting Materials in the year following their filing date on SEDAR. If you are a Registered Shareholder, you can make the request at any time before the Meeting by phone, by calling 1-866-962-0498 (Canada and the United States) or 1-514-982-8716 (other countries) and by following the instructions. If you are a Beneficial Owner, you can make the request at any time before the Meeting by phone, by calling 1-877-907-7643 (Canada and the U.S.) or 1-905-507-5450 (other countries) and by following the instructions. After the Meeting, requests can be made by calling 1-800-564-6253 (Canada and the United States) or 1-514-982-7555 (other countries).

If you request a paper copy of the Circular, you will not receive a new form of proxy. You should therefore keep the initial form sent to you in order to vote.

If you request it before the date of the Meeting, the Circular will be sent to you within three business days of receiving your request. To receive the Circular before the voting deadline and the date of the Meeting, we estimate that your request must be received no later than 5:00 p.m. (EDT) on April 24, 2020. Please note that postal delays could cause you to receive the Circular after the proxy voting deadline and after the date of the Meeting. If you request it on the day of the Meeting or within the year following the filing date of the Circular, it will be sent to you within ten calendar days of receiving your request.

## Who can Vote?

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Persons who hold Common Shares on March 9, 2020 will be entitled to vote at the Meeting, as a Registered Shareholder or as a Beneficial Owner, and will be entitled, during a vote, to one vote for each Common Share held.

#### Registered Shareholder:

You are a Registered Shareholder if your name appears on your share certificate or a statement issued by a direct registration system confirming your interest. If you are a Registered Shareholder, you have received a "proxy form" from the Corporation.

#### Beneficial Owner:

You are a Beneficial Owner if your shares are held through an intermediary, such as a securities dealer, a trustee or a financial institution. If you are a Beneficial Owner, you have received a "voting instructions form" from your intermediary.

Common Shares are the only securities of our share capital that confer voting rights at the Meeting. As of March 9, 2020, 107,092,199 Common Shares were issued and outstanding.

## The 10 % rule

The *Act respecting Industrial-Alliance, Life Insurance Company*, as amended by the *Act to amend the Act respecting Industrial-Alliance, Life Insurance Company*, prohibits the direct or indirect acquisition by any person of 10 % or more of the outstanding Common Shares of the Corporation. If a person contravenes such restriction on ownership, he or she cannot exercise any of the voting rights attached to any of the Common Shares it holds.

To the knowledge of the directors and executive officers of iA Financial Corporation, no individual or corporation, directly or indirectly, beneficially owns or controls 10 % or more of the Common Shares.



## How to Vote?

You may exercise your voting rights in one of two ways:



**Attend the virtual Meeting  
and vote by online ballot**



**Do not attend the virtual Meeting  
and vote by proxy**

The way in which you exercise your voting rights depends on your status of Registered Shareholder or Beneficial Owner.



**Attend the virtual Meeting  
and vote by online ballot**

### Registered Shareholder:

If you wish to attend the Meeting and exercise your voting rights at that moment, follow the following steps on the day of the Meeting:

Log in online at:

<https://www.icastpro.ca/eia200507a>.

We recommend that you log in at least one hour before the Meeting starts.

Enter your control number (see below) and password "iA2020" (case sensitive) OR log online as a guest at <https://www.icastpro.ca/eia200507b> and then complete the online form (guests can attend the Meeting but are not able to vote).

The control number located on the form of proxy or in the email notification you received is your "control number".

You are not required to complete the proxy form that was sent to you if you choose to attend the Meeting.

### Beneficial Owner:

If you wish to attend the Meeting and exercise your voting rights at that moment, (i) appoint yourself as proxyholder by inserting your name in the space provided on the voting instruction form; (ii) do not complete the part of the form concerning the exercise of voting rights, because your votes will be counted at the Meeting; and (iii) return the form by following the instructions indicated therein. On the day of the meeting, follow the following steps:

Log in online at:

<https://www.icastpro.ca/eia200507a>. We

recommend that you log in at least one hour before the Meeting starts.

Enter your control number (see below) and password "iA2020" (case sensitive) OR log online as a guest at <https://www.icastpro.ca/eia200507b> and then complete the online form (guests can attend the Meeting, but are not able to vote).

Computershare Investor Services Inc. will provide you with a "control number" by e-mail after the proxy voting deadline has passed, provided you have been duly appointed and registered as proxyholder as described above.

If you attend the Meeting online, it is important that you are connected to the Internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.



**Do not attend the virtual Meeting  
and vote by proxy**

**The persons named in the accompanying Proxy Form for Registered Shareholders and the Voting Instruction Form for Beneficial Owners of Common Shares are the Chair of the Board of Directors and the President and Chief Executive Officer, who will represent Common Shareholders. You are entitled to appoint a person (who need not be a Shareholder) other than the persons designated in the Proxy Form or the Voting Instructions Form to represent you at the Meeting.**

#### **Registered Shareholder:**

If you do not intend to attend the Meeting, you may (i) indicate your voting instructions on the Proxy Form; or (ii) appoint another person, called a Proxy, to attend the Meeting and exercise your voting rights on your behalf. In either case, you must complete and return the Proxy Form by following the instructions indicated therein.

#### **Beneficial Owner:**

If you do not intend to attend the Meeting, you may (i) indicate your voting instructions on the voting instruction form; or (ii) appoint another person, called a Proxy, to attend the Meeting and exercise your voting rights on your behalf. In either case, you must complete and return the voting instructions form by following the instructions indicated by your intermediary.

Beneficial Owners are divided into two categories: those who object to their names being disclosed to the issuers of the securities they own (called “Objecting Beneficial Owners” or “**OBOs**”) and those who do not object to having their names disclosed (called “Non-Objecting Beneficial Owners” or “**NOBOs**”).

We will not distribute proxy-related documents directly to Beneficial Owners, regardless of whether they are OBOs or NOBOs. We intend to pay intermediaries to send proxy documentation to both OBOs and NOBOs.

For the proxy voting rights to be exercised at the Annual Meeting, the duly completed Proxy Form must be received by Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, no later than 5:00 p.m. (local time) on May 5, 2020 or 48 hours prior to any adjournment(s) of the Meeting.

## **Solicitation of Proxies**

The solicitation of Proxies will be made primarily by mail. However, our management, our employees or employees of Computershare Investor Services Inc., our transfer agent, may also contact you by telephone. We may also retain the services of solicitation agents to assist us with this process. We will pay all expenses in connection with the solicitation of Proxies.

## Amendment of Your Voting Instructions

You may revoke your proxy by following the instructions below:

### Registered Shareholder:

If you change your mind about how you want to vote, please note that you may change your votes:

- by sending a new Proxy, following the instructions and time limit mentioned above;
- by submitting an instrument in writing executed by you or by your duly authorized attorney: to the Corporate Secretary of iA Financial Corporation at 1080 Grande Allée West, P.O. Box 1907, Station Terminus, Quebec City, Quebec, G1K 7M3, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used or any adjournment(s) thereof; or in any other manner permitted by law.

### Beneficial Owner:

If you are a Beneficial Owner, have returned your voting instruction form and change your mind about how you want to vote, or want to attend the Meeting and vote, contact your intermediary to know how to proceed. In order to provide him or her with the time required to carry out your new instructions, you must communicate with him or her at least seven days prior to the Meeting.

## How Will Your Proxy Vote?

If you provided voting instructions in your proxy form or your voting instruction form, your proxy must exercise your voting rights in accordance with your instructions.

If you did not provide voting instructions in your proxy form or your voting instruction form, your proxy will vote FOR the appointment of the external auditor, FOR the election of the director nominees, FOR the advisory resolution on the approach adopted by iA Financial Corporation regarding executive compensation and AGAINST the Shareholder proposals.

In the event an amendment to the matters discussed above or new matters come before the Meeting, with the exception of amendments or additions concerning the election of directors, your proxy holder may vote your shares regarding such matters in accordance with their best judgment.



## How to Attend the Meeting as a Guest?

You can attend the Virtual-only meeting via live audio webcast online as a guest. You need to log in at the following address: <https://www.icastpro.ca/eia200507b> and then complete the online form. As a guest you can attend the Meeting, but you are not able to vote.

The recording of the Meeting will be available at least until the next Meeting is held. It will be accessible on the "Investor Relations" section of our website ([ia.ca/investorrelations](http://ia.ca/investorrelations)).

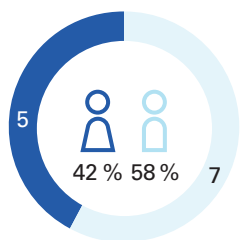
# Our Directors

Our Board of Directors consists of men and women with rich and diverse skill sets, who use their expertise to serve the Corporation and its various stakeholders, including YOU, our Shareholders. Our directors are a constant source of inspiration in terms of professionalism, integrity and ethical behaviour which reflects on the entire organization, inspiring all managers and employees.

## As at December 31, 2019

**11** of our 12 directors are independent

**Diversity fosters a variety of ideas and opinions**



Average age:  
**59**

Attendance rate at Board and committee meetings:

Average tenure:  
**3.42 years**

Board:	Committees:
<b>93 %</b>	<b>93 %</b>

## Our Key Policies Affecting Directors

### Board Composition and Renewal

Our *Board of Directors Composition and Renewal Policy* determines the rules applicable to the Board of Directors' composition, the guidelines governing the Board renewal and the key elements in implementing these guidelines. On the recommendation of the Governance and Ethics Committee, the Board also approved a Board competency checklist that you will find hereafter in the section entitled "Board Member Areas of Expertise". Considering the importance of environmental, social and governance ("ESG") criteria, the competency checklist was revised and amended last fall to add, amongst other things, social responsibility and sustainable development competency.

In evaluating director nominees, the Governance and Ethics Committee considers the profiles of the directors currently in place as well as emerging needs for monitoring the management of the Corporation and supporting its development and strategic planning. It also takes into account additional criteria such as availability, independence and diversity, including geographic location and gender balance.

Competencies sought and specified in the competency checklist include, in particular, experience relating to financial institutions, large organizational management and governance expertise, financial management, information technologies, risk management and also proven experience in corporate social responsibility, sustainable development and repercussions on the various stakeholders.

The Governance and Ethics Committee and the Board ensure that the majority of the Board members are independent directors in compliance with the *Board of Directors Independence Policy*. The only director who is not independent from the Corporation is Mr. Denis Ricard who is its President and Chief Executive Officer.

## Policy Regarding Board Diversity

We believe that a diverse Board favours a diversity of ideas and viewpoints, reduces the risks associated with groupthink and ensures that the Board reflects a wide range of knowledge and skills.

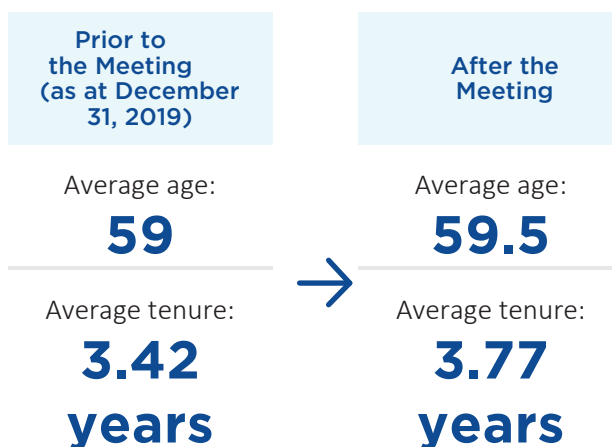
To confirm its commitment to encouraging diversity on the Board, the Board adopted, in 2019, the *Board Diversity Policy*. According to this policy, when seeking and selecting candidates for director positions, the Governance and Ethics Committee and the Board recruit the best possible candidates, while aiming to improve diversity. The notion of diversity includes not only gender diversity, but also diversity regarding ethnic origin, geographic origin, cultural identity, sexual orientation and age. The Corporation aspires to achieve gender parity on the Board.

As at December 31, 2019, the percentage of women serving on the Board was 42 % and 45 % in the case of the independent directors. If the director nominees in this Circular are elected, the percentage of women who will serve on the Board in 2020 will be 42 % and 45 % for independent directors.

## Retirement

Our *Board of Directors Composition and Renewal Policy* provides that a director should not serve longer than 15 years in order to ensure the ongoing renewal of Board competencies.

As at December 31, 2019, the average age of the members of the Board of Directors was 59 years of age and the average tenure of the directors was 3.42 years. After the Meeting, if all the nominees are elected, the average age of the members of the Board of Directors will be 59.5, and the average tenure of the directors will be 3.77 years.



## Majority Voting

Our *Policy Regarding the Election of Directors* provides that a nominee for election as a director for whom the number of votes withheld or abstentions exceeds the number of votes cast in favour will be required to submit his or her resignation to the Board. Within 90 days following the date of the Annual Meeting at which a director does not receive a majority of the votes cast, the Board, excluding the director who tendered his or her resignation, must decide if it will accept or refuse the director's resignation. Barring exceptional circumstances, the Board will accept the resignation.

The Corporation must promptly issue a news release announcing the Board's decision. If the Board refuses the resignation, the reasons underlying this decision will be disclosed in the news release. Otherwise, the resignation will take effect upon its acceptance by the Board and the position will be filled in accordance with the Corporation's By-Laws. This policy does not apply to a director who is not recommended by the Board in contested elections.

## Interlocking Boards and Outside Boards

Our *Board of Directors Composition and Renewal Policy* provides that, before agreeing to serve on other boards, directors must notify and obtain approval from the Chair of the Board. Moreover, the policy provides that if more than two directors wish to serve together on the board of another reporting issuer, they must obtain the consent from the Chair of the Board. **As of the date of the Circular, no director served at the same time as another director on the board of another reporting issuer.**

## Director Nominees

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The director nominees for the ensuing year are presented in the following pages.

For the information related to the ownership of the Corporation's securities, found in the following table, the "Total Market Value" of the Common Shares and of the DSUs (as defined in the "Compensation Components" section) is determined by multiplying the closing price of the Common Shares on the Toronto Stock Exchange on March 9, 2020 (\$53.63) and March 13, 2019 (\$51.13) by the number of Common Shares and DSUs owned by the director on these dates.

## Agathe Côté



**B. Sc. Econ., M. Sc. Econ. ICD.D**

**Age: 61**

**Residence:  
Ottawa (Ontario)  
Canada**

Director since May 2016  
Independent

Obtained 99.93 %  
of votes FOR at the  
2019 Annual Meeting

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.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years
Board of Directors	11/11	100 %	N/A
Investment Committee	4/4	100 %	
Audit Committee	5/5	100 %	

### Areas of Expertise

- Business Areas
- Financial
- Risk Management
- Corporate Governance

Securities Held	March 9, 2020	March 13, 2019
Common Shares	-	-
DSUs	5,692	3,946
Total – Common Shares and DSUs	5,692	3,946
Total Market Value – Common Shares and DSUs	\$305,262	\$201,759 <sup>(1)</sup>
Minimum Ownership Requirement	\$300,000	\$300,000

(1) As at March 13, 2019, Ms. Côté was still in compliance with the five-year time limit for attaining the minimum ownership requirement and the additional minimum ownership requirement following the increase in the annual retainer on October 1, 2018.



## Benoit Daignault



**BBA, CFA**

**Age: 56**

**Residence:  
Ottawa (Ontario)  
Canada**

Director since May 2019  
Independent

Obtained 99.91 %  
of votes FOR at the  
2019 Annual Meeting

Benoit Daignault is a corporate director. He was President and Chief Executive Officer of EDC between February 2014 and February 2019. Prior to this appointment, Mr. Daignault served as Senior Vice President, Financing and Investments, after having served as Senior Vice President, Business Development. Prior to joining EDC in 2004, Mr. Daignault worked for more than 10 years at General Electric Capital, where he held increasingly senior positions in both Canada and the United States. Mr. Daignault holds a Bachelor of Business Administration from HEC Montréal and is a designated Chartered Financial Analyst (CFA). He completed the Proteus program at the London Business School and the Senior Executive Program at Columbia University. He currently serves on the Board of Directors of the Conference Board of Canada.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years
Board of Directors	9/9 <sup>(1)</sup>	100 %	N/A
Investment Committee	2/2 <sup>(1)</sup>	100 %	
Human Resources and Compensation Committee	2/2 <sup>(1)</sup>	100 %	

### Areas of Expertise

- Corporate Management
- Financial
- Business Areas
- Talent Management

Securities Held	March 9, 2020	March 13, 2019
Common Shares	74	74
DSUs	792	N/A
Total – Common Shares and DSUs	866	74
Total Market Value – Common Shares and DSUs	\$46,444 <sup>(2)</sup>	\$3,784
Minimum Ownership Requirement	\$300,000	N/A

(1) Mr. Daignault has been a member of the Board of Directors, the Investment Committee and the Human Resources and Compensation Committee since May 9, 2019.

(2) As at March 9, 2020, Mr. Daignault was still in compliance with the five-year time limit for attaining the minimum ownership requirement.

## Nicolas Darveau-Garneau



**B. Math., MBA**

**Age: 51**

**Residence:  
Los Gatos  
(California) U.S.A.**

Director since May 2018  
Independent

Obtained 95.64 %  
of votes FOR at the  
2019 Annual Meeting

Nicolas Darveau-Garneau is Chief Strategist at Google Search. Prior to that, he was Director of Sales at Google in charge of a \$1.2-billion division. He started with Google as Manager of the Montreal Office. Prior to Google, Mr. Darveau-Garneau was an Internet entrepreneur, consultant and investor. Since 1995, he has co-founded many Internet companies, including Imix.com, BigDeal and Liquor.com, a company for which he has been a director since its inception in 2008. Mr. Darveau-Garneau is also an angel investor in Silicon Valley, California. He worked as a business analyst at McKinsey & Co. in Montreal and senior analyst at Sanford C. Bernstein & Co., LLC in New York. He specializes in marketing and Internet product development. He holds an MBA with honours from Harvard Business School and a bachelor's degree in mathematics from University of Waterloo. Since 2012, he has been a director of a number of not-for-profit organizations.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	10/11	91 %	TMX Group Limited	2018 –
Human Resources and Compensation Committee	4/4	100 %		

### Areas of Expertise

- Sales, Distribution and Client Experience
- Talent Management
- Business Areas
- IT Management

Securities Held	March 9, 2020	March 13, 2019
Common Shares	-	-
DSUs	3,625	1,276
Total – Common Shares and DSUs	3,625	1,276
Total Market Value – Common Shares and DSUs	\$194,409 <sup>(1)</sup>	\$65,242 <sup>(1)</sup>
Minimum Ownership Requirement	\$300,000	\$300,000

(1) As at March 9, 2020 and as at March 13, 2019, Mr. Darveau-Garneau was still in compliance with the five-year time limit for attaining the minimum ownership requirement and the additional minimum ownership required following the increase in the annual retainer on October 1, 2018.

## Emma K. Griffin



**BA (Oxon), MA (Oxon)**

**Age: 47**

**Residence:  
Henley on Thames  
(Oxfordshire) U.K.**

Director since May 2019  
Independent

Obtained 99.91 %  
of votes FOR at the  
2019 Annual Meeting

Emma K. Griffin has been, since November 2017, a director of Claridge Inc., a private investment company. Since January 2020, she has also been a director at Solotech, an organization that offers audiovisual and entertainment technology services. In February 2020, she joined the board of directors of St. James's Place Plc, an FTSE 100 wealth manager. From December 2015 to November 2018, she was a director and strategic advisor for Golder Associates, a global organization offering environmental services. From January 2016 to June 2019, Ms. Griffin was also a director of Aimia Inc. From January 2014 to June 2015, she was managing director and co-founder of Refined Selection Limited, a holding company created to invest in the professional services and recruitment industries. From 2002 to 2013, Ms. Griffin was a founding partner of Oriel Securities, a core brokerage firm recognized for its independence and for providing trusted advice, which was sold to Stifel Financial Corp. in the summer of 2014. Until November 2016, Ms. Griffin was also chair of the board of Cancer Research UK's Catalyst Club, a pioneering venture that raises money for personalized medicine research. She holds an MA from Oxford University.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	11/11	100 %	St. James's Place Plc	2020 –
Investment Committee (Chair)	4/4	100 %	Aimia Inc.	2016 – 2019
Human Resources and Compensation Committee	4/4	100 %		

### Areas of Expertise

- Financial
- Corporate Management
- Corporate Governance
- Risk Management

Securities Held	March 9, 2020	March 13, 2019
Common Shares	555	-
DSUs	642	340
Total – Common Shares and DSUs	1,197	340
Total Market Value – Common Shares and DSUs	\$64,195 <sup>(1)</sup>	\$17,384 <sup>(1)</sup>
Minimum Ownership Requirement	\$300,000	\$300,000

(1) As at March 9, 2020 and as at March 13, 2019, Ms. Griffin was still in compliance with the five-year time limit for attaining the minimum ownership requirement and the additional minimum ownership requirement following the increase in the annual retainer on October 1, 2018.

## Claude Lamoureux



**BA, B. Comm., FSA, ICD.D, F.ICD**

**Age: 77**

**Residence:  
Montreal (Quebec)  
Canada**

Director since May 2010  
Independent

Obtained 99.60 %  
of votes FOR at the  
2019 Annual Meeting

Claude Lamoureux was President and Chief Executive Officer of the Ontario Teachers' Pension Plan until his retirement in 2007. An actuary by profession, he had been appointed to this position in 1990. Previously, he spent 25 years as an executive with Metropolitan Life in Canada and the U.S. He is a director of the Home Capital Group Inc. and was a co-founder and board member of the Canadian Coalition for Good Governance. He has also been a director of a number of corporations, including Northumbrian Water Group, Domtar and Xstrata (now Glencore). Mr. Lamoureux holds a BA from Université de Montréal and a B. Comm. from Université Laval. He is a member of the Society of Actuaries and Fellow of the Institute of Corporate Directors.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	11/11	100 %	Home Capital Group Inc.	2017 –
Investment Committee	3/4	75 %	Technologies Orbite Inc. (formerly Orbite Aluminae inc.)	2013 –
Governance and Ethics Committee	4/4	100 %	Maple Leaf Foods Inc.	2008 – 2016

### Areas of Expertise

- Corporate Management
- Corporate Governance
- Financial
- Talent Management

Securities Held	March 9, 2020	March 13, 2019
Common Shares	11,000	11,000
DSUs	19,682	16,651
Total – Common Shares and DSUs	30,682	27,651
Total Market Value – Common Shares and DSUs	\$1,645,476	\$1,413,796
Minimum Ownership Requirement	\$300,000	\$300,000

## Ginette Maillé



**BBA, CPA, CA, ICD.D**

**Age: 57**

**Residence:  
Montreal (Quebec)  
Canada**

Director since July 2019  
Independent

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.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years
Board of Directors	8/8 <sup>(1)</sup>	100 %	N/A
Audit Committee	2/2 <sup>(1)</sup>	100 %	

### Areas of Expertise

- Financial
- Risk Management
- Corporate Governance
- IT Management

Securities Held	March 9, 2020
Common Shares	-
DSUs	-
Total – Common Shares and DSUs	\$0
Total Market Value – Common Shares and DSUs	\$0 <sup>(2)</sup>
Minimum Ownership Requirement	\$300,000

(1) Ms. Maillé has been a member of the Board of Directors and the Audit Committee since July 9, 2019.

(2) As at March 9, 2020, Ms. Maillé was still in compliance with the five-year time limit for attaining the minimum ownership requirement.

## Jacques Martin



**B. Comm., LL.B., MBA, IDP-C**

**Chair of the Board**

**Age: 64**

**Residence:  
Larchmont  
(New York) U.S.A**

Director since January 2011  
Independent

Obtained 99.65 %  
of votes FOR at the  
2019 Annual Meeting

Jacques Martin has been the Chair of the Board since September 2018. He is a corporate director and currently a member of the Board of Directors of RGA Life Reinsurance Company of Canada. He spent 17 years at Goldman Sachs in London and New York where he was Managing Director and Head of International Equities at the time of his departure in 2003. From 2004 until 2008, he was Senior Vice President, International Equities, based in New York, for the Caisse de dépôt et placement du Québec. He holds a Bachelor of Commerce from McGill University and a Bachelor of Law from Université de Montréal. Mr. Martin also holds an MBA and a certificate in corporate governance from INSEAD. He is a member of the Québec Bar.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years
Board of Directors (Chair)	11/11	100 %	N/A
Governance and Ethics Committee (Chair)	4/4	100 %	
Human Resources and Compensation Committee	4/4	100 %	

### Areas of Expertise

- Business Areas
- Financial
- Talent Management
- Social Responsibility and Sustainable Development

Securities Held	March 9, 2020	March 13, 2019
Common Shares	7,500	6,500
DSUs	-	-
Total – Common Shares and DSUs	7,500	6,500
Total Market Value – Common Shares and DSUs	\$402,225 <sup>(1)</sup>	\$332,345 <sup>(1)</sup>
Minimum Ownership Requirement	\$660,000	\$660,000

(1) As at March 9, 2020 and as at March 13, 2019, Mr. Martin was still in compliance with the five-year time limit for attaining the additional minimum ownership requirement following his appointment as Chair of the Board on September 6, 2018 and the increase in the annual retainer on October 1, 2018.

## Monique Mercier



**LL. B., M. Phil., Ad. E.**

**Age: 63**

**Residence:  
Vancouver  
(British Columbia)  
Canada**

Director since May 2019  
Independent

Obtained 95.38 %  
of votes FOR at the  
2019 Annual Meeting

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.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	8/9 <sup>(1)</sup>	89 %	Alamos Gold Inc.	2019 –
Audit Committee	2/2 <sup>(1)</sup>	100 %	Innergex Renewable Energy Inc.	2015 –
Governance and Ethics Committee	2/2 <sup>(1)</sup>	100 %	Stornoway Diamond Corporation	2011 – 2015

### Areas of Expertise

- Corporate Management
- Legal and Regulatory
- Talent Management
- Corporate Governance

Securities Held	March 9, 2020	March 13, 2019
Common Shares	2,061	2,000
DSUs	1,406	N/A
Total – Common Shares and DSUs	3,467	2,000
Total Market Value – Common Shares and DSUs	\$185,935 <sup>(2)</sup>	\$102,260
Minimum Ownership Requirement	\$300,000	N/A

(1) Ms. Mercier has been a member of Board of Directors, the Audit Committee and the Governance and Ethics Committee since May 9, 2019.

(2) As at March 9, 2020, Ms. Mercier was still in compliance with the five-year time limit for attaining the minimum ownership requirement.



## Danielle G. Morin



**B. Sc., ICD.D**

**Age: 64**

**Residence:  
Longueuil (Quebec)  
Canada**

Director since May 2014  
Independent

Obtained 99.65 %  
of votes FOR at the  
2019 Annual Meeting

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.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years
Board of Directors	11/11	100 %	N/A
Audit Committee (Chair)	5/5 <sup>(1)</sup>	100 %	
Governance and Ethics Committee	4/4	100 %	

### Areas of Expertise

- Business Areas
- Financial
- Sales, Distribution and Client Experience
- Risk Management

Securities Held	March 9, 2020	March 13, 2019
Common Shares	5,135	5,135
DSUs	2,363	2,291
Total – Common Shares and DSUs	7,498	7,426
Total Market Value – Common Shares and DSUs	\$402,118	\$379,691
Minimum Ownership Requirement	\$300,000	\$300,000

(1) Ms. Morin was appointed Chair of the Audit Committee on May 9, 2019.



## Marc Poulin



**B. Sc., MBA**

**Age: 58**

**Residence:  
Montreal (Quebec)  
Canada**

Director since May 2018  
Independent

Obtained 99,91 %  
of votes FOR at the  
2019 Annual Meeting

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 SportsScene 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).

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	10/11	91 %	SportsScene Group Inc.	2018 –
Audit Committee	5/5	100 %	Richelieu Hardware Ltd.	2013 –
Investment Committee	2/2 <sup>(1)</sup>	100 %	Empire Company Limited	2012 – 2016
Human Resources and Compensation Committee (Chair)	2/2 <sup>(1)</sup>	100 %		

### Areas of Expertise

- Corporate Management
- Sales, Distribution and Client Experience
- Financial
- Talent Management

Securities Held	March 9, 2020	March 13, 2019
Common Shares	4,500	4,500
DSUs	1,652	700
Total – Common Shares and DSUs	6,152	5,200
Total Market Value – Common Shares and DSUs	\$329,932	\$265,876 <sup>(2)</sup>
Minimum Ownership Requirement	\$300,000	\$300,000

(1) Mr. Poulin has been a member of the Human Resources and Compensation Committee since May 9, 2019 and ceased to be a member of the Investment Committee on the same day.

(2) As at March 13, 2019, Mr. Poulin was still in compliance with the five-year time limit for attaining the additional minimum ownership requirement following the increase in the annual retainer on October 1, 2018.

## Denis Ricard



**B. Sc., FSA, FCIA**

**Age: 58**

**Residence:  
Pont-Rouge (Quebec)  
Canada**

Director since September 2018  
Non-independent (Management)

Obtained 99.92 %  
of votes FOR at the  
2019 Annual Meeting

Denis Ricard is President and Chief Executive Officer of the Corporation, a position that he has held since September 1, 2018. Mr. Ricard began his career with the Corporation in 1985, where he assumed several positions. In 2003, he was Vice President, Marketing, and then in March 2004, he was appointed Senior Vice President and Chief Actuary, a role that he held until April 2010. He then became Senior Vice President, Business Development. In 2015, he was promoted to Executive Vice President, Individual Insurance and Annuities until November 2017, when he became Chief Operating Officer. Mr. Ricard is also a director of certain subsidiaries of the Corporation, including, most notably, Industrial Alliance Insurance and Financial Services Inc. Mr. Ricard obtained a bachelor's degree in actuarial science from Université Laval in 1985 and, in 1988, he became a Fellow of the Canadian Institute of Actuaries and of the Society of Actuaries. He is also a member of the Board of Directors of the Canadian Life and Health Insurance Association (CLHIA) and Chair of its Quebec chapter.

Mr. Ricard has been actively involved in the community for many years. He is a member of the campaign cabinet of Fondation CERVO, an organization that supports in particular mental health care and neuroscience research. He also serves as honorary chair for different philanthropic events or campaigns.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years
Board of Directors	11/11	100 %	N/A

### Areas of Expertise

- Business Areas
- Corporate Management
- Financial
- Talent Management

Securities Held	March 9, 2020	March 13, 2019
Common Shares	35,000	30,000
DSUs	44,935	40,344
Total – Common Shares and DSUs	79,935	70,344
Total Market Value – Common Shares and DSUs	\$4,286,914	\$3,596,689
Minimum Ownership Requirement <sup>(1)</sup>	\$2,850,000	\$2,460,000

(1) Mr. Ricard must hold Common Shares or DSUs in an amount equivalent to three times his annual base salary, in accordance with the *Executive Share Ownership Policy*.

## Louis Têtu



**B. Eng.**

**Age: 55**

**Residence:  
Quebec City (Quebec)  
Canada**

Director since May 2016  
Independent

Obtained 99.65 %  
of votes FOR at the  
2019 Annual Meeting

Louis Têtu is President, Chief Executive Officer and a member of the Board of Directors of Coveo Solutions Inc., an artificial intelligence customer experience software company. Mr. Têtu co-founded Taleo Corporation, a company that was acquired by Oracle in 2012, and held the position of Chief Executive Officer and Chair of the Board of Directors from the company's inception in 1999 through 2007. Prior to working for Taleo Corporation, Mr. Têtu was president of Baan Supply Chain Solutions, an international enterprise resource planning software company. Mr. Têtu is a mechanical engineering graduate from Université Laval and was honoured by the university in 1997 for his outstanding social contributions and business achievements. He received the 2006 Ernst & Young Entrepreneur of The Year award in the Technology and Communication category. Mr. Têtu has served on the Board of Directors of Alimentation Couche-Tard Inc. since 2019 and is also Chair of the Board of Petal Solutions Inc., a social platform developer for the medical sector. He also served on the Board of Directors of l'Entraide Assurance-vie, a mutual insurance company, from 1998 until 2009, when it was acquired by Union Life, a mutual insurance company, and on the Board of Directors of Aéroport de Québec inc. from 2013 to 2019.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	9/11	82 %	Alimentation Couche-Tard Inc.	2019 -
Governance and Ethics Committee	3/4	75 %		

### Areas of Expertise

- IT Management
- Talent Management
- Sales, Distribution and Client Experience
- Corporate Management

Securities Held	March 9, 2020	March 13, 2019
Common Shares	-	-
DSUs	7,474	5,127
Total – Common Shares and DSUs	7,474	5,127
Total Market Value – Common Shares and DSUs	\$400,831	\$262,144 <sup>(1)</sup>
Minimum Ownership Requirement <sup>(1)</sup>	\$300,000	\$300,000

(1) As at March 13, 2019, Mr. Têtu was still in compliance with the five-year time limit for attaining the additional minimum ownership Board Member Areas of Expertise and Knowledge

## Board Member Areas of Expertise and Knowledge

Director nominees offer a wide variety of knowledge and expertise to meet our needs. Each year, the Governance and Ethics Committee ensures that together the nominees possess an array of experience and skill sets that will enable the Board to effectively fulfill its mandate.

The following table presents the diversity of expertise essential to our operations.

Board Competency Profile	Agathe Côté	Benoit Daignault	Nicolas Darveau- Garneau	Emma K. Griffin	Claude Lamoureux	Ginette Maillé	Jacques Martin	Monique Mercier	Danielle G. Morin	Marc Poulin	Denis Ricard	Louis Tétu
<p><b>1. Business areas</b> – knowledge of one or more of the markets in which the Company operates, including financial services, the sale and distribution of financial products and services, wealth management, real estate and international financial markets.</p>	○	○	○		○		○		○		○	
<p><b>2. Key competencies</b> - Business experience in one or more of the following areas:</p>												
<p>— <b>Corporate management:</b> competencies in corporate management (public companies or large corporations operating in heavily regulated industries), strategic planning, organizational development and transformation (CEO experience or similar);</p>	○	○		○	○	○	○	○	○	○	○	○
<p>— <b>Corporate governance:</b> competencies in corporate governance practices of large corporations.</p>	○	○	○	○	○	○	○	○	○	○		○

### Board Competency Profile

Agathe Côté	Benoit Daignault	Nicolas Darveau- Garneau	Emma K. Griffin	Claude Lamoureux	Ginette Mailé	Jacques Martin	Monique Mercier	Danielle G. Morin	Marc Poulin	Denis Ricard	Louis Têtu
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### 3. Functional expertise - Experience in one or more of the following functions:

— **Financial:** expertise in the finance, accounting, risk management, actuarial, or investment area;

— **Talent management:** expertise in organizational development, compensation, leadership development, talent management and succession planning;

— **Sales distribution and client experience:** expertise in sales, distribution and the company-client relationship;

— **IT:** expertise in digital strategy, online services, information management and big data management;

— **Legal and regulatory:** expertise in complex legal systems and relationships with governments in heavily regulated industries;

— **Risk management:** expertise in identification, assessment, mitigation and monitoring of risks and their related controls;

— **Social responsibility and sustainable development:** experience in corporate social responsibility, sustainable development and repercussions on the various stakeholders.

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## 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 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 30 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.
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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 <sup>(1)</sup>	100,000
<b>Additional Committee Chair Retainer<sup>(2)</sup></b>	
Audit Committee	25,000
Investment Committee	25,000
Human Resources and Compensation Committee	25,000
Governance and Ethics Committee	25,000
<b>Additional Committee Member Retainer<sup>(2)</sup></b>	
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 <sup>(3)</sup>	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 <sup>(4)</sup>	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.

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

The 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.

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

	Fees <sup>(1)</sup> Received in Cash	Fees <sup>(1)</sup> Received as DSUs	Percentage in DSUs	Total
	\$	\$	%	\$
Jocelyne Bourgon <sup>(2)</sup>	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
<b>Total</b>	<b>887,906</b>	<b>681,127</b>		<b>1,569,033</b>

(1) Includes attendance fees, if applicable, and travel allowances, but does not include reimbursement of expenses.

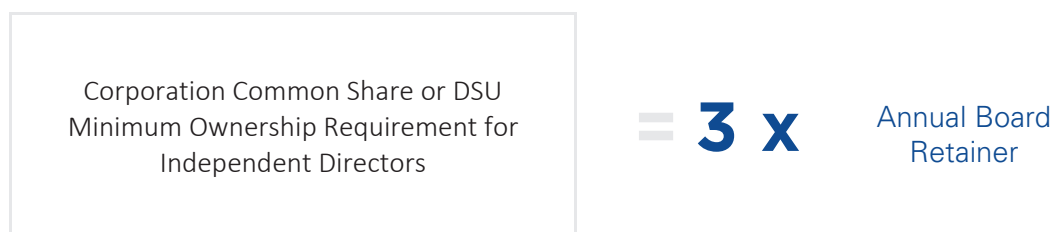
(2) Ms. Jocelyne Bourgon ceased to be a director on January 15, 2019.



## Director Share Ownership Policy

Our *Director Share Ownership Policy* is intended to encourage non-executive directors to hold Common Shares or DSUs for an amount equivalent to three times the annual retainer received as a director. Directors have a period of five years from the date of their appointment as a director to comply with this policy.

When their annual retainer is increased, directors have a period of five years from the date of the increase to again comply with the policy. For the purposes of the Circular, Common Shares and DSUs are valued at the closing price of the Common Shares on the date of the Circular. In accordance with this policy, directors are prohibited from participating in monetization or other hedging activities with respect to the shares of the Corporation or of iA Insurance they hold and their share-based compensation awards.



## Board Meetings and Board Committee Meetings

The table below indicates the number of meetings held by the Board and its committees in 2019 and directors' overall attendance at these meetings.

	Meetings	Attendance
Board of Directors	11	93 %
Audit Committee	5	96 %
Human Resources and Compensation Committee	4	90 %
Governance and Ethics Committee	4	90 %
Investment Committee	4	94 %
<b>Number of meetings</b>	<b>28</b>	<b>93 %</b>

## Composition of the Committees

The table below indicates the composition of the different committees as of March 9, 2020.

	Audit Committee	Human Resources and Compensation Committee	Governance and Ethics Committee	Investment Committee
Agathe Côté	○			○
Benoit Daignault		○		○
Nicolas Darveau-Garneau		○		
Emma K. Griffin		○		○ (Chair)
Claude Lamoureux			○	○
Ginette Maillé	○			
Jacques Martin <sup>(1)</sup>		○	○ (Chair)	
Monique Mercier	○		○	
Danielle G. Morin	○ (Chair)		○	
Marc Poulin	○	○ (Chair)		
Denis Ricard				
Louis Têtu			○	

(1) As Chair of the Board of Directors, Mr. Martin is an ex-officio member of all the committees.

## Director Attendance at Meetings

The table below presents an attendance record for directors<sup>(1)</sup> at Board meetings and committee meetings.

Name of Director	Board of Directors		Audit Committee		Human Resources and Compensation Committee		Governance and Ethics Committee		Investment Committee		Total
	Number	%	Number	%	Number	%	Number	%	Number	%	
Robert Coallier <sup>(2)</sup>	2/3	67	-	-	1/2	50	1/2	50	-	-	<b>57</b>
Agathe Côté	11/11	100	5/5	100	-	-	-	-	4/4	100	<b>100</b>
Benoit Daignault <sup>(3)</sup>	9/9	100	-	-	2/2	100	-	-	2/2	100	<b>100</b>
Nicolas Darveau-Garneau	10/11	91	-	-	4/4	100	-	-	-	-	<b>93</b>
Emma K. Griffin	11/11	100	-	-	4/4	100	-	-	4/4	100	<b>100</b>
Michael Hanley <sup>(2)</sup>	1/3	33	2/3	67	1/2	50	-	-	-	-	<b>50</b>
Claude Lamoureux	11/11	100	-	-	-	-	4/4	100	3/4	75	<b>95</b>
Ginette Maillé <sup>(4)</sup>	8/8	100	2/2	100	-	-	-	-	-	-	<b>100</b>
Jacques Martin <sup>(5)</sup>	11/11	100	-	-	4/4	100	4/4	100	-	-	<b>100</b>
Monique Mercier <sup>(3)</sup>	8/9	89	2/2	100	-	-	2/2	100	-	-	<b>92</b>
Danielle G. Morin	11/11	100	5/5	100	-	-	4/4	100	-	-	<b>100</b>
Marc Poulin <sup>(6)</sup>	10/11	91	5/5	100	2/2	100	-	-	2/2	100	<b>95</b>
Denis Ricard	11/11	100	-	-	-	-	-	-	-	-	<b>100</b>
Mary C. Ritchie <sup>(2)</sup>	2/3	67	3/3	100	-	-	-	-	-	-	<b>83</b>
Louis Têtu	9/11	82	-	-	-	-	3/4	75	-	-	<b>80</b>
Attendance at Meetings	125/134	93	24/25	96	18/20	90	18/20	90	15/16	94	<b>93</b>

(1) Ms. Jocelyne Bourgon ceased to be a director on January 15, 2019, prior to any 2019 meetings.

(2) Mr. Robert Coallier, Mr. Michael Hanley and Ms. Mary C. Ritchie ceased to be directors on May 9, 2019.

(3) Mr. Benoit Daignault and Ms. Monique Mercier became directors on May 9, 2019.

(4) Ms. Ginette Maillé became a director on July 9, 2019.

(5) Mr. Martin is an ex-officio member of all the committees. He attended all meetings.

(6) Mr. Marc Poulin has been a member of the Human Resources and Compensation Committee since May 9, 2019 and ceased to be a member of the Investment Committee the same day.

## Additional Information

To the knowledge of the directors and executive officers of the Corporation, no Corporation director nominee:

- a) is, as at the date of the Circular, or has been, within 10 years before the date of the Circular, a director, chief executive officer or chief financial officer of any company, including the Corporation, that:
  - (i) while such person was a director, chief executive officer or chief financial officer or
  - (ii) after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in that capacitywas subject to an order that was in effect for more than 30 consecutive days: a cease trade order, an order similar to a cease trade order or an order that denies the relevant company access to any exemption under securities legislation;
- b) is, as at the date of the Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- c) has, within the 10 years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

with the exception of that indicated below:

- (i) Mr. Claude Lamoureux is a director and the 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 our knowledge, no director 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.

# Governance

We recognize the importance of upholding governance best practices in order to foster the Corporation's growth, increase value for Common Shareholders and keep the confidence of clients and investors. These governance best practices also promote the pursuit of our core values.

## Our Mission

To ensure the financial wellbeing of our clients by offering them personal insurance coverage and investment solutions to help them achieve their personal goals.

## Our Five Values

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- Teamwork
- High Performance Environment
- Continuous Improvement
- Respect for Individuals and Distributors
- Service-Oriented

### Teamwork

Team work is the cornerstone of the Group's success. We do everything in our power to ensure that all employees can exercise a positive influence over their team.

### High Performance Environment

We make it our duty to meet the highest standards of quality while being effective in what we do. We are accountable when it comes to performing our work and developing our approaches.

### Continuous Improvement

A mindset driven by the objective to continuously improve leads us to challenge our work methods and identify opportunities to continuously enhance processes.

Constantly on the cutting edge, we adopted, in 2010, the cornerstones of *Lean management*. By appropriating this work philosophy, we strive to become the company that best meets the expectations of its clients, while partnering with our distributors, as well as an employer sought after to offer stimulating careers.

### Respect for Individuals and Distributors

In our actions and our decisions, we take into account the opinions, needs and expectations of the different stakeholders. We treat our partners and our clients with consideration, diplomacy and humility.

### Service-Oriented

Our service mentality focuses on our clients and our partners. We aim to be proactive and attentive to their needs and expectations.

# Our Governance Practices

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## Policies and Code of Business Conduct

We adhere to governance best practices to preserve the independence of the Board and its ability to effectively oversee the activities of the Corporation. These practices are based on a solid culture of integrity and ethics, and on a sound and prudent approach to risk management.

Our *Code of Business Conduct* and some of our policies that support our governance practices and that specifically affect the directors and officers are described below.

Each director and officer has received a copy of these policies and the *Code of Business Conduct*. On an annual basis, each director and each officer signs a certificate in which he or she attests to having adhered to the *Code of Business Conduct*.

### Board Independence Policy

The *Board Independence Policy* defines the criteria for assessing the independence of the Corporation's directors. It establishes the proportion of independent directors required within the Corporation's Board of Directors and its committees, as well as the specific independence criteria that apply in order to sit on certain committees. It also states the measures that have been put in place to monitor and ensure the independence of the Board and its directors.

In fact, under our *Board Independence Policy*, the Board must be independent of the Corporation. Accordingly, [all directors are independent of the Corporation, except for Mr. Denis Ricard](#), who is the only director with a direct relationship with the Corporation as he acts as President and Chief Executive Officer.

The policy aims to achieve the following objectives: (i) clarify the situations in which a director cannot be considered independent, (ii) ensure that the Corporation's Board and its committees have the independence required to perform their decision-making and oversight duties effectively, and (iii) establish an ongoing monitoring process to assess and ensure the independence of directors.

For purposes of the *Board Independence Policy*, a director is considered independent if he or she has no direct or indirect material relationship with the Corporation or one of its subsidiaries. A relationship is considered material when the Board could reasonably be expected to interfere with the exercise of a director's independent judgment. In determining this qualification, the Board must consider all facts and circumstances that it deems relevant.

Furthermore, this policy provides various measures to ensure that the Board has the independence required to effectively fulfill its decision-making and oversight duties, including:

- the need for the Chair of the Board to be an independent director;
- the obligation that the majority of directors on the Corporation's Board of Directors be independent;
- limiting to two the number of directors who can serve together on the board of another reporting issuer, unless consent is obtained from the Chair of the Board;
- the fact that a director should not serve for a period of more than 15 years;
- an annual evaluation process pursuant to which the Governance and Ethics Committee, which is composed entirely of independent directors, reviews all the relationships that could constitute a material relationship and any element that could violate the obligations provided in the policy.

### Disclosure Policy

Communications of the Corporation must be timely, factual, accurate and balanced. They also must be broadly disseminated, in compliance with relevant legal and regulatory requirements. Our policy applies to all our employees, directors and all those authorized to speak on behalf of the Corporation. The Disclosure Committee is responsible for ensuring that all securities regulatory disclosure requirements are met and for overseeing the Corporation's disclosure practices.

### Securities Trading Policy

It is a cardinal rule of Canada's financial markets that every person who invests in the securities of publicly traded companies must have equal access to information that could influence his or her investment decisions.

In order to build public confidence in market integrity, material information on the business or affairs of a reporting issuer, like the Corporation and iA Insurance, must be disclosed simultaneously and in a timely manner to all market participants.

Our policy establishes, among other things, certain rules regarding transactions and trades in the securities of the Corporation and of iA Insurance by insiders and employees of the Corporation, iA Insurance and subsidiaries of the group.

### **Risk Management Policy Regarding Fraud and Other Practices Associated with Financial Crime**

Our policy deals, among other things, with accounting, internal accounting controls, or auditing matters. It applies to all our employees, officers and directors.

This policy and the *Code of Business Conduct* encourage employees to report all the Corporation's or its employees' unethical or suspicious practices. This policy was last reviewed in April 2018.

### **Code of Business Conduct**

This stringent code applies to employees, officers and directors of the Corporation and its subsidiaries. Its main objective is to emphasize the high standards of behaviour expected and required of them and the importance of acting ethically, honestly and with integrity at all times.

Every new employee and director is required to read and agree to abide by the *Code of Business Conduct* prior to beginning to work for the Corporation. All directors, officers and employees are required to confirm in writing on an annual basis that they have reviewed the *Code* and complied with it during the year.

Our *Code of Business Conduct* is periodically revised and updated. The last review was done in fall 2019. The *Code of Business Conduct* is available on our website at ia.ca and on SEDAR at sedar.com.

Management annually reports to the Governance and Ethics Committee on compliance with the *Code of Business Conduct*. No material change report regarding the conduct of directors or executive officers was required or filed in 2019.

We also have a code of conduct intended for suppliers. This code establishes our principles and the expectations with respect to the way in which the suppliers of goods and services and their representatives and employees must do business and deal with us. Suppliers who wish to establish a business relationship with us must make sure to always behave in an ethical manner, with integrity and honesty as part of this relationship.

#### **Integrity Hotline**

In a continued effort to adhere to best practices in ethics and governance, a reporting mechanism known as the "Integrity Hotline" is in place.

The Integrity Hotline is a reporting tool that allows employees of the Corporation and its subsidiaries to confidentially report any irregularities with respect to accounting, accounting controls, legislation or the *Code of Business Conduct*. Reporting is done through an independent third party and can be carried out in an anonymous and confidential manner. All reports submitted are transferred to the Vice President, Internal Audit.

## Mandates and Position Descriptions

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With the purpose of effectively defining everyone's roles and responsibilities, and in the interests of sound governance, the Board has established written mandates or position descriptions for:

- The Board of Directors;
- Each of the Board committees;
- The President and Chief Executive Officer;
- The Chair of the Board; and
- The Chair of each of the committees.

The mandates of the Board, the committees and the Chair of the Board are available on our website at [ia.ca](http://ia.ca). A copy of the mandate of the Board of Directors is also included as an appendix.

According to his mandate, the President and Chief Executive Officer, Mr. Denis Ricard, is responsible for the day-to-day management of the Corporation within the limits of the power granted by the Board of Directors and in accordance with the applicable laws and regulations, with the aim of achieving the Corporation's strategic business goals.

More specifically, the Chief Executive Officer:

- Formulates and proposes to the Board of Directors the Corporation's strategic plan;
- Establishes the Corporation's organizational structure together with the Board;
- Ensures an appropriate diversification of risks and monitors the Corporation's overall risk profile;
- Delegates the responsibilities to the various executives and oversees their professional development and motivation, while ensuring collaboration within management.

The Chair of the Board, Mr. Jacques Martin, is an independent director. In his role and responsibilities as Chair, he:

- Ensures that the Board of Directors independently oversees the Corporation's affairs;
- Leads the Board of Directors' work;
- Monitors its effectiveness;
- Acts as Chair of all Board of Directors' meetings, including during in-camera sessions, and also at the Annual Shareholder Meetings.

The Chair oversees, together with the Governance and Ethics Committee, the recruitment process, orientation and professional development program for new directors, and director assessment and compensation. The Chair also ensures that no director participates in a discussion on a topic in which he or she has a significant interest nor votes thereon. The Chair's mandate was reviewed in the fall.

The Chairs of Board committees are responsible for overseeing and effectively running their respective committees. They must ensure that their committee performs the tasks described in the committee mandate and carry on the other responsibilities that the Board may assign. The mandate of the committees Chairs were reviewed in the fall.

The Chairs of the committees are independent directors appointed by the Board on the recommendation of the Governance and Ethics Committee in collaboration with the Chair of the Board.

**The Chair of the Board and the President and Chief Executive Officer are separate positions and the Chair of the Board is an independent director.**



## In-camera Meetings

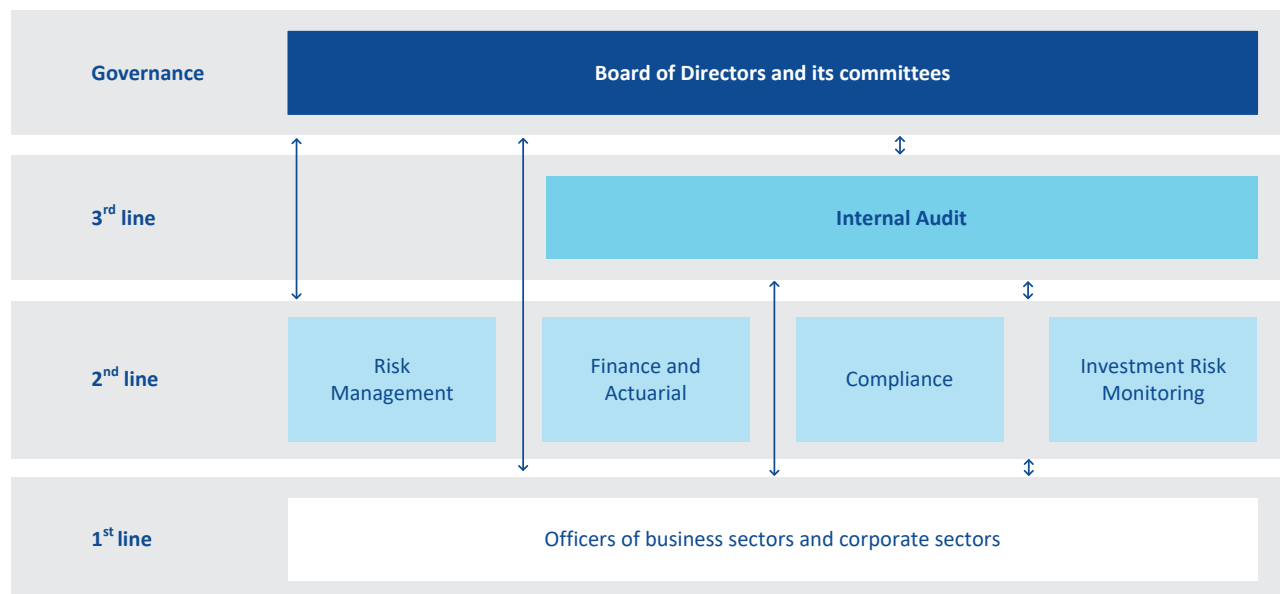
It is important for sound governance, and for the purpose of performing their supervisory role in an independent manner, independent directors may freely discuss topics that concern the Corporation.

To that effect, our *Board Independence Policy* provides that after each meeting, the Board holds an in-camera session which only the independent directors may attend. As a result, no members of management attend this meeting.

**The independent directors systematically hold in-camera sessions at the end of each Board meeting. The independent directors met in an in-camera session at the end of the 11 Board of Directors' meetings held during the financial year ended December 31, 2019. The Board's committees also met at the end of each meeting without management being present.**

## Risk Management

The Corporation's integrated risk management framework provides the Board of Directors with assurance that all the required elements are in place within the organization to ensure effective risk management. The Board, assisted by its different committees, ensures the general oversight of the framework and its effectiveness. The Board approves and oversees the policies guiding the risk framework and appetite, that are implemented to identify, manage and report the main risks associated with the Corporation's operations. The Board approves the risk appetite and tolerance that the Corporation is ready to accept in order to achieve its business and growth objectives.



In order to fulfill its responsibilities, the Board relies on a proven governance model of the "three lines of defence" that is implemented within the organization. The first line includes the President and Chief Executive Officer as well as the heads of the business lines and corporate sectors. They are responsible for selecting and carrying out the business strategies in accordance with the Corporation's risk appetite and tolerance, while ensuring that a balance is reached between the return and the incurred risk. They are also responsible for ensuring the application of the policies and procedures, for identifying, communicating and managing the risks that threaten the achievement of the objectives established in their respective areas of responsibility.

The risk management and compliance functions are the second line of defence. Included therein are the Finance and Actuarial sectors and investment risk monitoring. These functions are responsible for coordinating the application and compliance of the enterprise risk management framework within the Corporation and ensuring that the appropriate policies and procedures are established and implemented effectively by the first line of defence. The first two lines of defence are also responsible for keeping the Board of Directors regularly apprised of the key risks to which the Corporation is exposed and of the measures taken to manage these risks.

In the third line of defence, Internal Audit assesses the effectiveness of the enterprise risk management framework, recommends improvements to the stakeholders involved in the process and reports on the situation to the Audit Committee of the Board of Directors.

Generally, the Board periodically reviews the material and emerging risk reports as well as the development of activities likely to affect the Corporation's risk profile. In particular, the Board reviews the first line of defence reports regarding the main risks as well as the measures being taken to minimize them. It also oversees the implementation of improvements to the enterprise risk management framework. For this purpose, it reviews the reports presented by the second line of defence. These reports address in particular the monitoring of the Corporation's risk profile, in accordance with its risk appetite, as well as the effectiveness of the controls and other risk mitigation measures put in place on the front line. Furthermore, the Board must oversee the execution of the compliance management program, which ensures compliance with the legal requirements related to the Corporation and its activities. Finally, the Board relies on Internal Audit, which provides it with objective assurance regarding the effectiveness of the business processes and the risk management exercised by the first two lines of defence.

The *2019 Annual Report*, published on our website at [ia.ca](http://ia.ca) contains a more complete description of the risk management framework.

## Sustainable Development

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### The Corporation Becomes a Signatory to 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 fund and mutual fund portfolios for the entire group.

### 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.

The Corporation also carries out numerous projects and initiatives aimed at reducing its 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.

## The Corporation's Position in Relation to Climate Change

### A Proactive and Sustained Commitment

For years, we have been committed to supporting the fight against climate change by proactively reducing our carbon footprint.

- We have been participating in the *Carbon Disclosure Project* (CDP) on greenhouse gas emissions since 2007.
- In 2019, the Corporation became a signatory of the United Nations Principles for Responsible Investment (PRI) through its iA Investment Management subsidiary. iA Investment Management is deploying a tool for measuring ESG risks in order to support the selection of securities, thereby strengthening the analysis of the risks associated with climate change in the portfolios' management. Our first responsible investment report will be published in the first quarter of 2021 and will focus on the activities carried out in 2020.
- For about 20 years, we have been putting forward several initiatives aimed at reducing as much as possible our GHG emissions at the source.
- In December 2019, we announced our commitment to offsetting our greenhouse gas (GHG) emissions through the purchase of carbon credits and to becoming a carbon neutral company as of 2020. In our 2020 *Sustainable Development Report*, we will release our GHG emissions data in 2019.

Climate change risks are taken into account during the Corporation's annual strategic and emerging risk measurement exercise. These analyses, integrated in our corporate and sector strategic planning process, allowing us to identify and prevent the impacts that climate change could have on our long-term business conduct.

### General Insurance

The risks and opportunities associated with climate change are also evaluated, in particular in the specific case of general insurance.

In this sector, strategic planning, the financial health review, integrated risk management, crisis simulation, and the purchase of reinsurance coverage are carried out while keeping in mind the risks and opportunities arising from climate change.

Product development, for its part, is aimed at adapting to new trends generated by climate change.

### Life and Health Insurance

Few studies currently exist that document the impact on mortality rates that would be driven by climate change. The few analyses available on the topic show potential increases and decreases in mortality rates based on the geographic areas concerned. The potential increases in mortality rates seem to occur in geographic areas in which iA Financial Group has very little or no activity.

Contrary to companies operating significantly in the life and health insurance sector and those in general insurance in more exposed countries, climate change risks are measured as immaterial for iA Financial Group.

### Continuous Monitoring

In this context, we consider that the Corporation's resilience is not threatened by the risks caused by climate change.

Through our strategic planning process, we monitor the impacts that climate change could have on the conduct of our business over the long term and have in place mechanisms that allow us to identify them and react adequately and promptly.

## Sustainable Development Policy

The Corporation's *Sustainable Development Policy* sets 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.

## Sustainable Development Report

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

## Engagement with Shareholders

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The Board of Directors and Management strongly promote interaction with Shareholders and believe that it is important to have direct, regular and constructive engagement with them in order to allow and encourage an open dialogue and an exchange of ideas.

### Board of Directors

- Since the 2010 Annual Meeting, the Board voluntarily has asked the Common Shareholders to participate in an advisory vote on executive compensation. The results of this vote for the last three years are shown below.
- Directors make themselves available to meet with investors upon request.

The Board of Directors recognizes that engagement with Shareholders is a constantly evolving practice, and it will periodically review its actions in this area to ensure that they are effective and suit the stakeholders.

Shareholders who wish to communicate with directors or meet with them are invited to send us their request in writing at the following address: [secretariat\\_corporatif@ia.ca](mailto:secretariat_corporatif@ia.ca).

It is also possible to communicate with the directors by writing to the following address:

Chair of the Board  
iA Financial Corporation Inc.  
1080 Grande Allée West  
P.O. Box 1907, Station Terminus  
Quebec City, Quebec G1K 7M3

## Senior Management

The Corporation's senior management communicates with its Shareholders and other stakeholders in various ways, including:

- The Annual Report and the quarterly reports;
- The Annual Meeting;
- Distribution of press releases concerning the quarterly results and any other topic of interest;
- The Annual Information Circular for Solicitation of Proxies;
- The Annual Information Form
- Quarterly conference calls with the financial analysts, which are accessible to all Shareholders;
- Investor Day, held every two years;
- The Annual *Sustainable Development Report*;
- Participation in industry conferences and other events;
- Live and recorded webcasts of quarterly conference calls to present the financial results and the Annual Shareholders' Meeting;
- In-person and telephone meetings upon request;
- The ia.ca website, particularly the *Investor Relations* section.

Shareholders who wish to communicate with the executive officers or meet with them are invited to send us their request in writing at the following address: [investors@ia.ca](mailto:investors@ia.ca).

In 2019, senior management met with investors at the following events:

Date	Event	Location	Nmbr invest. met
March 13	Montreal Debt Investor Roadshow	Montreal	18
March 25	Toronto Debt Investor Roadshow	Toronto	20
March 25	Hockey night with investors at Scotiabank Arena	Toronto	11
March 28	NBF 17th Annual Financial Services Conference	Montreal	15
May 29	NBF 9th Annual Quebec Conference	Toronto	9
September 5	Scotiabank Financials Summit 2019	Toronto	27
September 26	CIBC 18th Annual Eastern Institutional Investor Conference	Montreal	7
November 11	Toronto Roadshow	Toronto	19
November 20	2019 Fixed Income Financial Services Conference	Toronto	4
November 27	Western Canada Roadshow	Vancouver	4
November 28	Western Canada Roadshow	Calgary	5
November 29	Western Canada Roadshow	Winnipeg	2
December 2	Montreal Roadshow	Montreal	14

## Investor Relations

Our Investor Relations department takes pleasure in and makes a point to provide Shareholders with a wealth of information, particularly the financial results, information on dividends and credit ratings, as well as conferences and presentations.

Investor Relations also publishes a Newsletter intended for investors to disclose the latest financial information.

This information is found on the ia.ca website, in the section About Us, under the tab Investor Relations.

### Results of the Advisory Vote on Executive Compensation

2019 Annual Meeting	→	<b>89.66 %</b>
2018 Annual Meeting	→	<b>90.27 %</b>
2017 Annual Meeting	→	<b>92.58 %</b>

## Employment Diversity

### Our Position on Diversity and Inclusion

iA Financial Group undertakes to offer a positive employee experience throughout the company and a work environment that promotes diversity and inclusion, irrespective of ethnic origin, nationality, language, religious beliefs, gender, sexual orientation, age, civil status, family situation or physical or mental disability.

Diversity and inclusion are core values that incrementally influence all decisions made at iA Financial Group. From the composition of teams to investment decisions, we believe that focusing on these priorities is not only a good deed, but it is essential to the long-term success of our organization.

At iA Financial Group, we are continuously building a team as diversified as the people and communities that we serve. By offering an inclusive environment, which fosters team work, respect for the individual and service quality, we want to make sure that our employees receive support and that they can be true to themselves and realize their full potential.

On February 14, 2019, the Board of Directors adopted a diversity policy, which gives special attention to gender equality on the Board. We believe that this initiative promotes diversity of ideas and opinions, reduces the risks of group thinking and leads to a wider range of knowledge, experience and competencies.

We are also close to achieving gender parity in our organization's middle management. This allows us to strive, in the medium term, towards parity for female representation among vice presidents. We believe that through the efforts we continue to make, we will eventually achieve stronger gender diversity among members of senior management.

In the first quarter of 2019, iA Financial Group became a signatory of the United Nations Principles for Responsible Investment (PRI) through its iA Investment Management subsidiary. In accordance with the PRI, we will consider environmental, social and governance (ESG) issues in our investment practices and in our shareholder policies and practices. We will help to promote and implement PRI in the investment industry through an international network of signatories from 50 countries. We report on our activities and progress.

iA Clarington, our mutual fund subsidiary, offers a range of mutual funds and socially responsible portfolio solutions. By combining financial analyses and ESG, we evaluate the company's performance in the following areas: corporate governance, environmental commitments, employee relations, diversity, community relations, human rights and sustainable products.

For more information on our commitment to diversity and inclusion, consult our *Sustainable Development Report* on ia.ca.

## Representation of Men and Women in Middle Management, Vice President and Senior Management Positions

We work hard to foster an inclusion-driven corporate culture and ensure that women increasingly participate and progress in the Corporation's management.

The representation of women at different levels of management has continued to grow in recent years as a result of a structured approach that takes into account the organization's specific needs.

It is clear that our approach is gradually paying off. As at December 31, 2019, women represented 44 % of middle managers, 31 % of vice presidents and 18 % of executives, compared to 41 %, 16 % and 0 %, respectively, as at December 31, 2014.

We are very close to achieving parity in terms of female representation among middle managers.

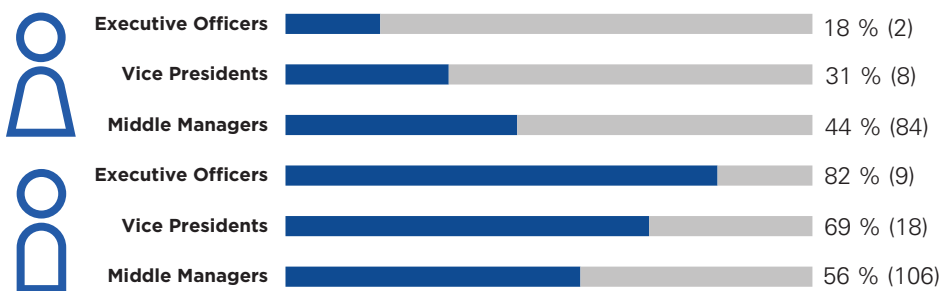
To eventually achieve parity for female representation among vice presidents, we will be promoting the following measures:

- Integrate the concept of diversity in our process of reviewing and analyzing succession candidates;
- Promote training and professional development programs internally, intended for high-performing women;
- Promote diversity through different tools, such as mentoring, flexible working arrangements and discussion groups;
- Improve our assessment and selection tools for potential candidates;
- Focus on entry-level management and middle management positions so as to build a succession of high-quality candidates;
- Continue our efforts to raise awareness by capitalizing on already implemented initiatives (such as the leadership circle for vice presidents and the development path focused on conscious leadership), which should provide leverage for achieving greater gender balance.

As regards to female representation among executive officers, we believe that the efforts we continue to make, as previously described, will enable us to eventually enjoy greater gender diversity.

It is also important for us to focus on diversity of expertise and knowledge, independent of gender.

### Gender distribution for the Corporation's various hierarchical levels as at December 31, 2019.



Note: Figures in parentheses indicate the number of individuals.

## About the Board of Directors

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### Mission of the Board

The Board is responsible for independently supervising the strategic planning and management of the affairs of the Corporation.

### Two fundamental components of the Board

The role of the Board is based on two fundamental functions: decision-making and oversight. It is incumbent upon the Board to fulfill the responsibilities outlined in its mandate, either directly or through a committee.

1

#### The decision-making function

The formulation, in conjunction with senior management, of corporate culture, strategic objectives and risk appetite as well as the adoption of fundamental policies and approval of key business decisions.

2

#### The oversight function

The supervision of executive decisions, of management's conduct of business, of risk management, of the adequacy of internal systems and controls and of the implementation of policies and corrective measures.

### Directors' On-boarding and Training Policy

The purpose of our *Directors' On-boarding and Training Policy* is to provide direction for new directors in order to inform them about the Corporation's activities, its business strategies and other relevant topics.

Accordingly, we offer them an integration and orientation program. This program aims to integrate knowledge about the Corporation, the framework in which it operates, and the roles and responsibilities of directors of public companies and gives them access to the information they need to carry out their duties. Under this program, new directors attend information sessions with the Chair of the Board, the chairs of the Board committees, the President and Chief Executive Officer, the Executive Vice President, Chief Financial Officer and Chief Actuary, and the Corporate Secretary of the Corporation, as well as other key members of the executive team, to complete the overview of the business lines.

In order for Board members to stay current with the operations of the Corporation, information sessions are regularly provided at Board and committee meetings and occasionally at special meetings. These sessions relate, for example, to the business strategy, developments in the business operations, risk management and other subjects of relevance to the Board or the committee concerned.

We encourage directors to pursue continuing education. The Board of Directors is a member of the Institute of Corporate Directors, an association that provides continuing training sessions and training activities to corporate directors. The Corporation reimburses directors for reasonable expenses when they attend such sessions, subject to the prior approval of the Chair of the Board.



## Continuing Education

In 2019, directors participated in information sessions on the topics outlined below.

### Continuing Education for Directors for the Financial Year Ended December 31, 2019

Date	Subject	Participants
January 2019	Client Centricity	Board of Directors
February 2019	Monetary Policies: Perspectives and impacts on the markets	Investment Committee
February 2019	Training on Responsible Investment	Investment Committee
April 2019	IFRS Training	Audit Committee
May 2019	New Insurers Act	Governance and Ethics Committee
May 2019	The future of trends in the automotive industry	Board of Directors
July 2019	The digital future	Board of Directors
August 2019	Cybersecurity	Board of Directors
August 2019	IFRS 17 and LICAT Strategic insights and business opportunities	Board of Directors
August 2019	Interest rates Why are they so low?	Board of Directors
November 2019	Recent developments in governance	Governance and Ethics Committee
November 2019	Overview of sustainability practices	Board of Directors
December 2019	Trends in the Canadian family's financial health for the next decade	Board of Directors

## Evaluation of the Board

The Governance and Ethics Committee has implemented a process to evaluate the performance of the Board, the committees, the Chair of the Board, the chairs of each committee and each director. The Governance and Ethics Committee ensures that such an evaluation is carried out periodically in order to foster continuous improvement of the performance of the Board and its committees.

The Board's performance is the result of a collective effort involving several factors, including:

- the quality of the information and the timely support provided by management;
- the diversity of perspectives and the quality of the directors' input to enable the Board to completely fulfill its supervisory and strategic advisory role;
- the leadership of the Chair of the Board and of the President and Chief Executive Officer so the Board may devote its time to the most significant issues;
- the purpose of evaluating the Board's performance is to review the extent to which these various factors work together to contribute to the Board's optimal performance and to identify the measures that would best contribute to the continuous improvement of the Board and its committees.

Evaluation process

- Directors are called upon to comment on the performance of the Board, the committees and the chairs of the committees through an evaluation addressing the composition, inner workings, roles and responsibilities of the Board and the committees. A separate evaluation of the performance of the Chair of the Board of Directors is also carried out by each director;
- The directors also proceed with a self-assessment of their performance;
- In connection with the process, the Chair of the Board has one-on-one meetings with each of the independent directors. At these meetings, the functioning of the Board and the Board committees as well as the contribution of that director and each of the other directors are discussed;
- Save and except for his own evaluation, the Chair of the Board is responsible for gathering the results of the different evaluations and subsequently reporting on them to the Governance and Ethics Committee and to the Board, and for submitting to the Board recommendations for desired improvements;
- Certain members of the Governance and Ethics Committee are responsible for gathering the results of the evaluation of the Chair of the Board, for meeting with him to discuss it, and for reporting thereon to the Governance and Ethics Committee.

## Committee Reports

The Board is assisted in the performance of its functions by four standing committees:



The Chair of the Board is an ex officio member of all the committees of the Board of Directors, may vote thereat and his attendance is counted for purposes of the quorum at committee meetings. Certain directors are members of more than one committee, which fosters an overall understanding of the mandates of the committees and of the issues related to the Corporation's various business lines.

The committees are responsible for reviewing the aspects provided in their mandates and any other responsibility entrusted to them by the Board and reporting thereon to the Board of Directors. Each committee chair reports to the Board, after each committee meeting that he or she presides over, on the deliberations and recommendations necessary for approval by the Board. The Board may also create special committees to address its needs when the situation so requires.

The reports presented below will enable you to effectively understand the work of the Board committees over the past year and see how the committees fulfilled their mandate during that period.

### 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

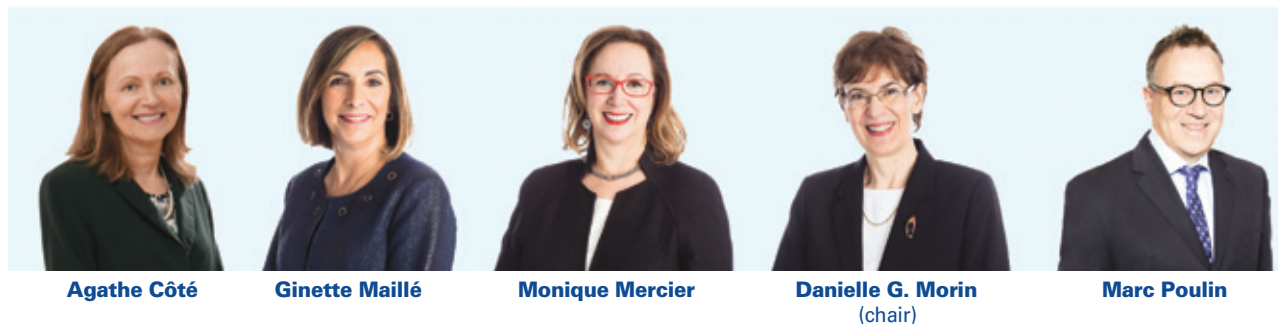
In 2019, the Corporation engaged the services of Towers Watson Canada Inc. to analyse the compensation of certain positions. Fees of \$41,313 were paid to Towers Watson Canada Inc. for these mandates. In 2018, the amount paid to Towers Watson for other fees was \$447,846, for the review of employees'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

	2019	2018
<b>Hugessen Consulting Inc.</b>		
Fees relating to the compensation of executive officers	\$71,612	\$79,879
Other fees (fees relating to the compensation of Board members)	\$-	\$18,910
<b>Towers Watson Canada Inc.</b>		
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

## Audit Committee

The Audit Committee's mandate is to assist the Board in its responsibilities regarding the Corporation's financial disclosure and related information sent to Shareholders, oversight of the integrated risk management framework and the internal control environment, its internal auditor, its external auditor, and the Chief Actuary of the Corporation. Among other things, the Committee must ensure that the processes are in place to provide reasonable assurance that financial information is reliable and that the Corporation's financial statements are prepared in accordance with financial reporting standards and the applicable legal and regulatory requirements.

### The Audit Committee currently comprises the following five people:



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 profiles necessary to fulfill the Committee's mandate. Each of its members has the financial literacy within the meaning of audit committee rules 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.

#### Meetings:

- During the last fiscal year, the Audit Committee held five meetings.
- At each meeting, the Committee met without management being present.
- At each meeting, the Committee met separately, without management being present, with the President and Chief Executive Officer, the Executive Vice President, Chief Financial Officer and Chief Actuary, the external auditor and the internal auditor.
- The Committee met on at least one occasion in 2019, without management being present, with the Vice President and Chief Risk Officer and Chief Compliance Officer.

# 2019 Accomplishments

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In the 2019 fiscal year, the Audit Committee:

## Financial reporting responsibilities

- ✓ Reviewed the interim and annual financial statements and Management's Discussion and Analysis and press releases and recommended their approval to the Board.
- ✓ Recommended to the Board the publication of the *Annual Information Form*.

## Responsibilities related to disclosure controls and procedures, internal control and risk management

- ✓ Monitored the adequacy of internal controls.
- ✓ Monitored that adequate audit procedures were in place to publicly disclose the Corporation's financial information.
- ✓ Reviewed material correspondence exchanged with regulatory authorities and followed up on commitments with regard to these authorities.
- ✓ Reviewed litigation reports.
- ✓ Reviewed the semi-annual regulatory and operational risk management reports.
- ✓ Reviewed the annual report on insurance coverage.
- ✓ Recommended that the Board approve the *Information Security Policy*.
- ✓ Recommended that the Board approve the revised version of the *Regulatory Risk Management Policy*.
- ✓ Recommended that the Board approve the revised version of the *Operational Risk Management Policy*.
- ✓ Reviewed the annual report on anti-financial crime.
- ✓ Reviewed the periodic reports on the cybersecurity and other technological risks program.
- ✓ Recommended that the Board adopt a revised version of the Risk Appetite and Tolerance Statement.

## Responsibilities related to Internal Audit

- ✓ Reviewed Internal Audit reports.
- ✓ Reviewed the Internal Audit report on reports of fraud.
- ✓ Oversaw the Internal Audit activities.
- ✓ Assessed the performance of the internal auditor.
- ✓ Approved the Internal Audit Charter.
- ✓ Approved the audit plan.
- ✓ Approved the appointment of the internal auditor.

## Responsibilities related to the external auditor

- ✓ Recommended the appointment of the external auditor.
- ✓ Approved the external audit plan.
- ✓ Reviewed the performance and the quality of the external audits and discussed the results of this review with the external auditor.
- ✓ Reviewed the independence of the external auditor.
- ✓ Reviewed and approved the services provided by the external auditor and its fees.
- ✓ Reviewed external auditor reports.
- ✓ Revised and recommended that the Board approve the External Auditor Independence Policy.
- ✓ Approved the mandates for non-audit services provided by the external auditor.

## Other responsibilities

- ✓ Monitored coordination between the Internal Audit, external audit and risk management.

The Committee may retain, when it deems appropriate, the services of independent advisors to assist it in fulfilling its duties and it must fulfill other responsibilities entrusted to it by the Board.

The Committee believes that it fulfilled its mandate for the year ended December 31, 2019.

Additional information on the Audit Committee is provided in the section entitled "Information to be provided on the Audit Committee" of the *Annual Information Form* filed with the Canadian Securities Administrators, which can be found on the SEDAR website at [sedar.com](http://sedar.com).

Presented on behalf of the Committee  
Danielle G. Morin, Chair

## Investment Committee

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The Investment Committee's primary mandate is to approve the investment policies, actively participate in the review, approval and monitoring of the Corporation's investment activities. The Committee oversees the risk management inherent in the investment management and approves investment strategies.

### The Investment Committee currently comprises the following four people:



**Agathe Côté**

**Benoît Daignault**

**Emma K. Griffin**  
(chair)

**Claude Lamoureux**

The Committee is composed entirely of independent directors.

The Board believes that the members of the Investment Committee possess the combined knowledge, experience and profiles necessary to fulfill the Committee's mandate.

#### Meetings:

- During the last fiscal year, the Investment Committee held seven meetings.
- At each meeting, the Committee met without management being present.
- At each meeting, with the exception of one of them, the Committee met with the Executive Vice President and Chief Investment Officer, without management being present.

## 2019 Accomplishments

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In the 2019 fiscal year, the Investment Committee:

### Supervision of investments

- ✓ Reviewed different reports on investment strategies, including the Report on Responsible Investment Approach for IA Financial Group.
- ✓ Reviewed different management reports on the valuation and nature of the investments.
- ✓ Reviewed different reports on the quality of the portfolios and the investments that are at risk or that are being monitored.
- ✓ Recommended that the Board approve the new Investment Policy.
- ✓ Approved or recommended the investments for which approval by the Investment Committee or by the Board was required in accordance with the Investment Policy.

### Investment compliance

- ✓ Reviewed reports on the compliance of the investments with the *Investment Policy*.

### Investment risk management

- ✓ Reviewed different management reports on investment risk management.

The Committee may retain, when it deems appropriate, the services of independent advisors to assist it in fulfilling its duties and it must fulfill other responsibilities entrusted to it by the Board.

Each year, the Committee provides training sessions as part of its meetings.

The Committee believes that it fulfilled its mandate for the year ended December 31, 2019.

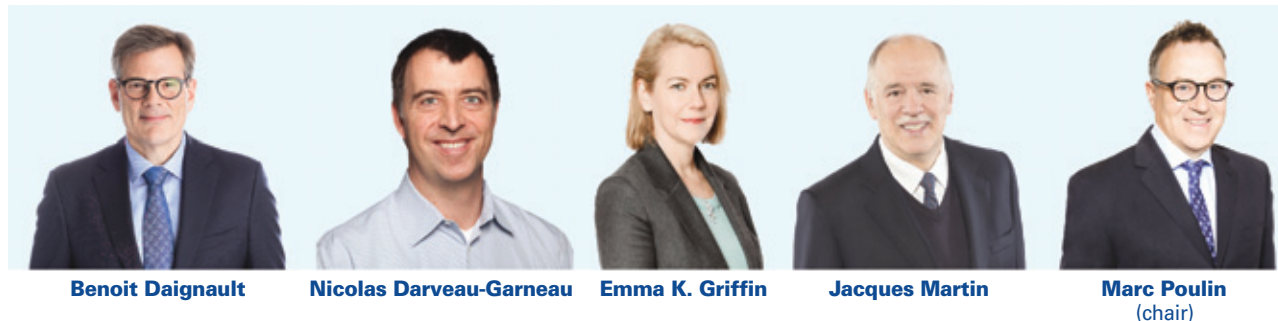
Presented on behalf of the Committee  
Emma K. Griffin, Chair

## Human Resources and Compensation Committee

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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:



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.

#### Meetings:

- Over the last fiscal year, the Human Resources and Compensation Committee held four meetings.
- At each meeting, the Committee met without management being present.



# 2019 Accomplishments

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In the 2019 fiscal year, the Human Resources and Compensation Committee:

## Appointment of executive officers

- ✓ Recommended to the Board the required competency criteria for executive positions.

## Compensation of employees, management and executives

- ✓ Approved the 2019 objectives of the annual bonus plan for employees, middle managers and executives.
- ✓ Recommended to the Board the payment of the annual bonus to employees, middle managers and executives.
- ✓ Approved the payment of PSUs at the end of the 2016-2018 three-year cycle.
- ✓ Approved the grants of PSUs at the end of the 2019-2021 three-year cycle.
- ✓ Approved the base salaries for executives for 2019.
- ✓ Approved the granting of options.
- ✓ Reviewed the compliance, financial position and development of the Corporation's pension plans.
- ✓ Approved the disclosure concerning compensation in this Circular.
- ✓ Approved the 2020 salary policy for non-management employees and middle management.
- ✓ Reviewed the trends of the ESG (environmental, social, governance) criteria in executive compensation.

## Evaluation of the President and Chief Executive Officer

- ✓ Evaluated the performance of the President and Chief Executive Officer.
- ✓ Approved the salary and bonus granted to the President and Chief Executive Officer.

## Succession planning

- ✓ Reviewed the succession plan and the resource development plan for management positions.

## Compensation risk management

- ✓ Tasked Hugessen Consulting Inc. with reviewing the compliance of certain components of the executive compensation program based on current practices. The analysis showed that no elements of our compensation programs carry a high level of risk.

The Committee may retain, when it deems appropriate, the services of independent advisors to assist it in fulfilling its duties and it must fulfill other responsibilities entrusted to it by the Board.

The Committee believes that it fulfilled its mandate for the year ended December 31, 2019.

Presented on behalf of the Committee  
Marc Poulin, Chair

## Governance and Ethics Committee

---

The Governance and Ethics Committee's mandate is to ensure that the Corporation is governed by its strategic direction, based on a systematic approach and an ethical and responsible corporate culture that is consistent with the Corporation's long-term interests and values.

### The Governance and Ethics Committee currently comprises the following five people:



**Claude Lamoureux**

**Jacques Martin**  
(chair)

**Monique Mercier**

**Danielle G. Morin**

**Louis Têtu**

The Committee is composed entirely of independent directors.

The Board believes that the members of the Governance and Ethics Committee possess the combined knowledge, experience and profiles necessary to fulfill the Committee's mandate.

#### Meetings:

- Over the last fiscal year, the Governance and Ethics Committee held four meetings.
- At each meeting, the Committee met without management being present.

# 2019 Accomplishments

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## Governance-related Responsibilities

In the 2019 fiscal year, the Governance and Ethics Committee:

### Governance framework and policies

- ✓ Approved the disclosure regarding governance in this Circular.
- ✓ Recommended that the Board approve the revision of the Board Independence Policy.
- ✓ Recommended that the Board approve the revision of the Sustainable Development Policy.
- ✓ Reviewed the Sustainable Development Report before its publication.
- ✓ Recommended that the Board approve the revision of the Board of Directors' mandate.
- ✓ Recommended that the Board approve the revision of the position description of the Chair and of the Committee chairs.
- ✓ Recommended that the Board approve the Board Diversity Policy.

### Assessment of the effectiveness of the Board, its committees and their members

- ✓ In order to be effective, the evaluation of the Board, its committees and its directors is completed every two years in order to allow for the improvements identified the previous year to be more effectively implemented.

### Board composition and renewal

- ✓ Recommended that the Board approve the composition of the different committees of the Board of Directors and appoint the Chairs thereof.
- ✓ Reviewed the composition and renewal of the Board and the desired profile in terms of expertise, knowledge and diversity.
- ✓ Recommended the new director nominees.
- ✓ Recommended that the Board approve the new Board Competency and Expertise Checklist.

### Director training

- ✓ Reviewed the continuing education process for directors.

# 2019 Accomplishments

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## Ethics-related Responsibilities

In the 2019 fiscal year, the Governance and Ethics Committee:

### Rules of conduct for directors and officers

- ✓ Recommended that the Board approve the revision of the Code of Business Conduct.
- ✓ Reviewed the annual report on conflicts of interest and compliance with the Code of Business Conduct.
- ✓ Reviewed the semi-annual reports on the Integrity Hotline.

### Privacy

- ✓ Reviewed the annual report on privacy.

### Transactions with restricted parties

- ✓ Reviewed the annual report on transactions with interested parties.
- ✓ Recommended to the Board the transactions between interested parties.

The Committee may retain, when it deems appropriate, the services of independent advisors to assist it in fulfilling its duties and it must fulfill other responsibilities entrusted to it by the Board.

The Committee believes that it fulfilled its mandate for the year ended December 31, 2019.

Presented on behalf of the Committee  
Jacques Martin, Chair

# Executive Compensation

Our approach to executive compensation is firmly aligned with performance and competitive imperatives. It is important that we remain focused on ensuring executive compensation that is competitive, weighted and fair.

## Message to Shareholders

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Dear Shareholders,

We believe that the Corporation's executive compensation must be competitive, weighted and fair. Our approach to executive compensation, which is disciplined and ongoing, also takes into account the open dialogue that we have had for years with you, our Shareholders.

In 2019, we worked with a specialized consulting firm to verify if the various components of executive compensation effectively supported the Corporation's strategic objectives and were competitive with what is offered elsewhere in our industry. In 2019, we focused on short-term compensation elements. In 2020, we will continue to work primarily on the medium- and long-term compensation program.

We would like to remind you that a significant part of executive compensation is variable or "performance based" in order to ensure a direct alignment with Shareholder interests.

The Human Resources and Compensation Committee focused in 2019 on various components of executive compensation.

It was agreed that neither the Human Resources and Compensation Committee nor the Board of Directors will have discretionary power allowing them to adjust executive compensation upwards to take into account special situations.

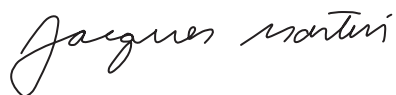
In addition, the annual bonus plan will continue to contain a trigger mechanism tied to profitability, which prevents the payment of a bonus if net income does not meet a minimum threshold. Furthermore, 25 % of the bonus of the Mid-Term Incentive Plan will be based on the total Shareholder return of the Corporation over a three-year period in relation to the comparator group.

We have also established that the number of stock options granted annually will be independent of the market price of iA Financial Corporation Common Shares.

Shareholders, including the Mouvement d'éducation et de défense des actionnaires (MÉDAC), asked us to reflect on the integration of environmental, social and governance (ESG) criteria in executive compensation. We therefore conducted a detailed analysis of the practices in this area in our reference market.

This study has led us to conclude that in 2020 we will align our corporate strategy with respect to ESG criteria with our medium- or long-term executive compensation strategy. It is a long and complex process and we want to see it through in the best possible way. A ESG component will thus come into effect in executive compensation in 2021.

Regarding executive compensation, as in all things, we will continue to listen to our Shareholders using a transparent and evergreen approach to support the Corporation's vision and strategic priorities.



Jacques Martin,  
Chair of the Board



Marc Poulin  
Chair of the Human Resources and  
Compensation Committee

# Compensation Analysis

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 Financial Corporation'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  
National Bank of Canada  
Canadian Western Bank  
CI Financial Corp.  
E-L Financial Corporation  
Limited

Element Fleet Management  
Corp.  
Fairfax Financial Holdings  
Limited  
Genworth MI Canada Inc.  
Sun Life Financial Inc.  
Great-West Lifeco Inc.

TMX Group Limited  
Home Capital Group Inc.  
Intact Financial Corporation  
IGM Financial Corporation Inc.  
Manulife Financial Corporation

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)

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 National Bank of Canada Canadian Western Bank CI Financial Corp. Element Fleet Management Corp. Fairfax Financial Holdings Limited	Sun Life Financial Inc. Genworth MI Canada Inc. Great-West Lifeco Inc. TMX Group Limited Home Capital Group Inc. Intact Financial Corporation	Lincoln National Corporation Principal Financial Group Inc. IGM Financial Corporation Inc. Manulife Financial Corporation Globe Life Inc. Unum Group
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### 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 wilful 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
<b>Direct Compensation</b>					
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.
<b>Indirect Compensation</b>					
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
<b>President and Chief Executive Officer</b>	35 %	25 %	15 %	25 %	65 %
<b>Executive Vice President</b>	35 % - 50 %	20 % - 25 %	15 % - 20 %	10 % - 30 %	50 % - 65 %
<b>Senior Vice President and equivalent</b>	55 % - 65 %	25 % - 30 %	15 %	0 % - 10 %	35 % - 45 %
<b>Vice President</b>	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:

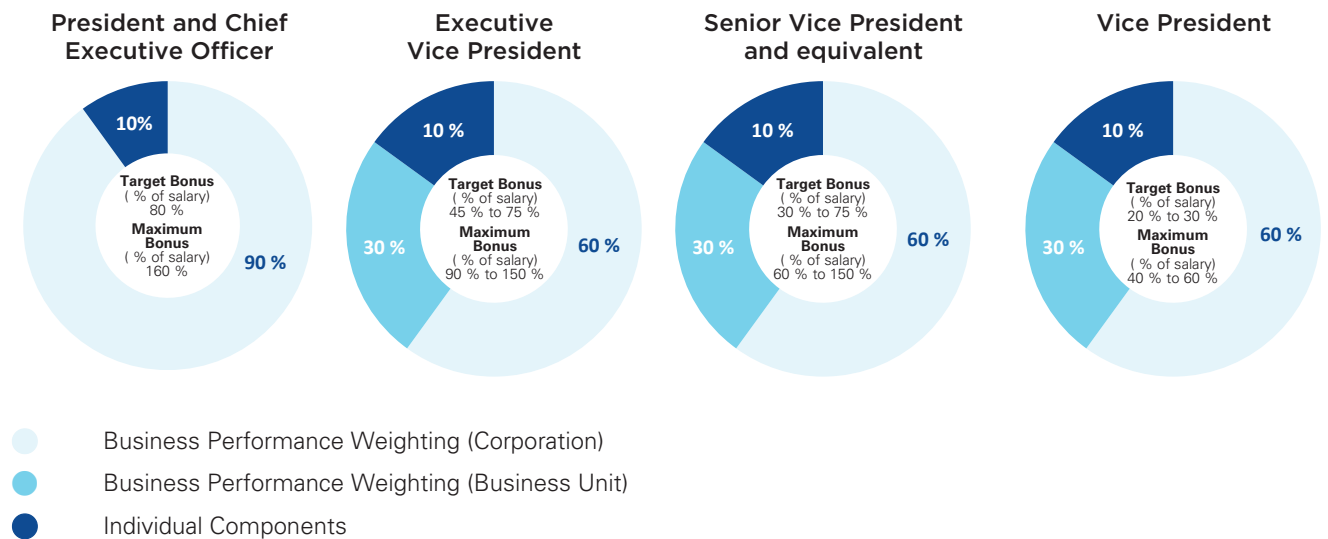
- Promote our mission among executives;
- Foster superior overall performance in terms of the Corporation's goals;
- Encourage higher productivity;
- Recognize executive contributions to, and involvement in, attaining our goals; and
- Offer compensation that favourably positions us within our reference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

The annual bonus plan is based on five performance indicators:

Indicator	Indicator Justification
Return on Equity	Alignment with the interests of Common Shareholders
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:



**The target bonus is based on four objectives:**

- |   |  |
|---|--|
| <p><b>1</b> The achievement of profitability objectives</p> | <p><b>2</b> Business development</p>   |
| <p><b>3</b> Cost control</p>                                | <p><b>4</b> Criteria specific to each Named Executive Officer such as division goals and individual measures</p> |

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:

Named Executive Officer	Target Bonus	Business Performance Rating		
		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 conditional 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 <sup>(1)</sup>	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 <sup>(1)</sup>	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;
- 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 our 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 <sup>(1)</sup>	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 the 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 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 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 Circular provide further information on these plans.

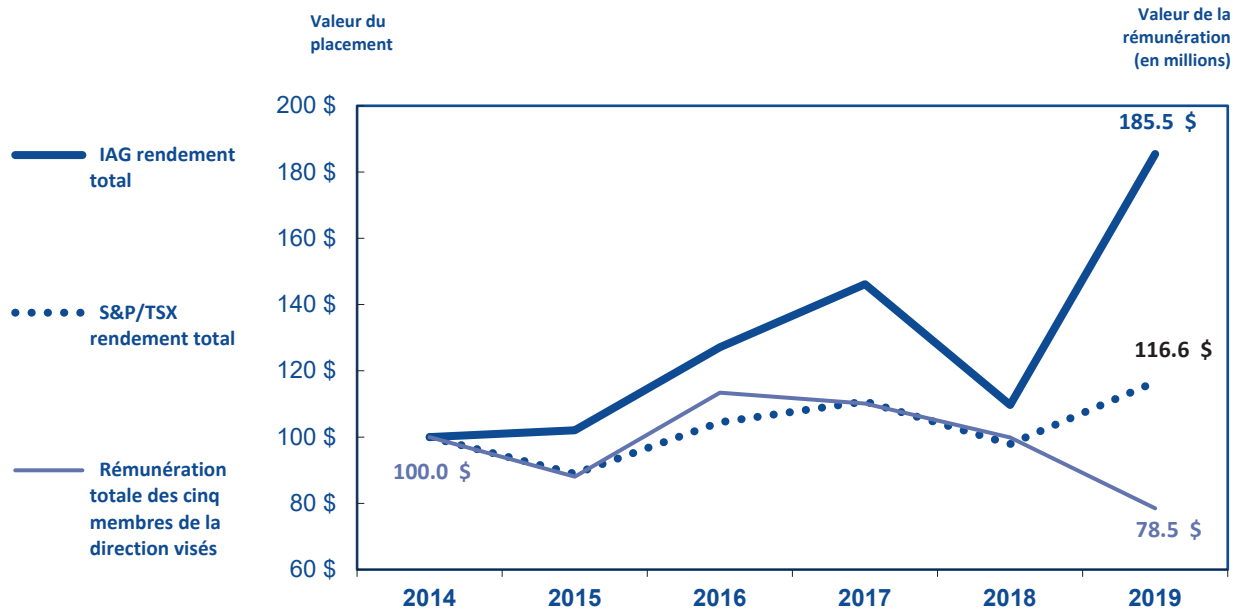
## Correlation between Executive Compensation and Shareholder Returns

Common Shares are listed on the Toronto Stock Exchange under the ticker symbol IAG. The first shares of IAG were issued by iA Insurance at an initial price of \$7.875 on February 3, 2000, taking into consideration the two-for-one split that occurred in 2005. Since January 1, 2019, when the arrangement came into force under which iA Insurance Common Shares were exchanged for Common Shares newly issued by iA Financial Corporation, IAG shares have been listed on behalf of iA Financial Corporation.

The graph below shows the cumulative total iA Financial Group Common Shareholder return versus the cumulative total return of the S&P/TSX composite index over the past five fiscal years ended December 31, 2019. The graph assumes an initial \$100 investment in the Common Shares and in the S&P/TSX composite index as at December 31, 2014 and that the dividends have been reinvested.

The graph also shows the total compensation paid annually to the Named Executive Officers over the given period. For more information on the identity and compensation of the Named Executive Officers, please refer to the "Summary Compensation Table".

## Cumulative Total Return on IAG Shares over the Past Five Years vs. S&P/TSX Composite Index



As described in the “Compensation Discussion and Analysis” section of this Circular, a significant portion of the total direct compensation that Named Executive Officers receive in any year is comprised of variable compensation provided under the annual bonus and mid- and long-term incentive plans. These plans aim at aligning the interests of Named Executive Officers with the interests of our Common Shareholders.

The following table shows the Named Executive Officers’ compensation earned in cash and Common Shares in 2017, 2018 and 2019, as a percentage of net income after tax.

2019	2018	2017
1.11 %	1.58 %	1.70 %

## Executive Share Ownership

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

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

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 the date of this Circular, 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 Insurance they hold as well as with respect to their share-based compensation awards of the 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	\$	\$	
<b>DENIS RICARD</b>	35,000	1,877,050	44,935	2,409,864	4,286,914	Yes
<b>JACQUES POTVIN</b>	7,163	384,152	8,256	442,769	826,921	Yes
<b>MICHAEL L. STICKNEY</b>	19,500	1,045,785	1,205	64,624	1,110,409	Yes
<b>CARL MUSTOS</b>	4,400	235,972	-	-	235,972	Yes
<b>ALAIN BERGERON</b>	-	0	-	0	0	Yes

## Details of Individual Compensation

### DENIS RICARD



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.

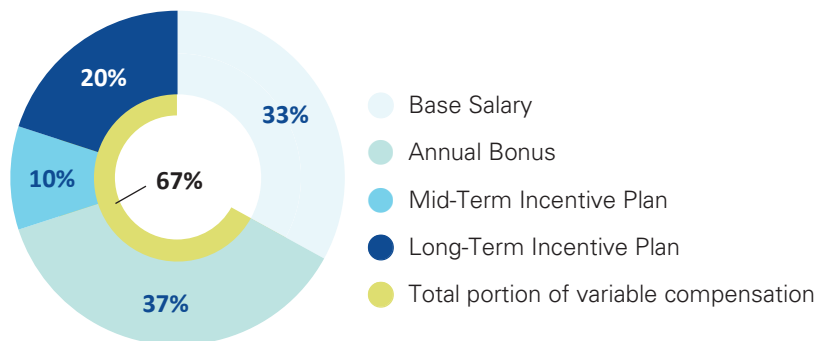
#### President and Chief Executive Officer

#### 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 <sup>(1)</sup>	\$492,600	\$670,663	\$431,550
<b>Total Direct Compensation</b>	<b>\$2,536,311</b>	<b>\$2,283,290</b>	<b>\$1,445,118</b>

(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 <sup>(1)</sup>	Actual Value at December 31, 2019 <sup>(2)</sup>	Value for the President and Chief Executive Officer <sup>(3)</sup>	Common Shareholder Value (\$) <sup>(4)</sup>
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
<b>Total</b>	<b>100</b>	<b>140.6</b>	<b>947,858</b>
Profit Threshold Met		Yes	Yes
<b>Total Bonus Paid</b>		<b>140.6</b>	<b>947,858</b>

## 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.

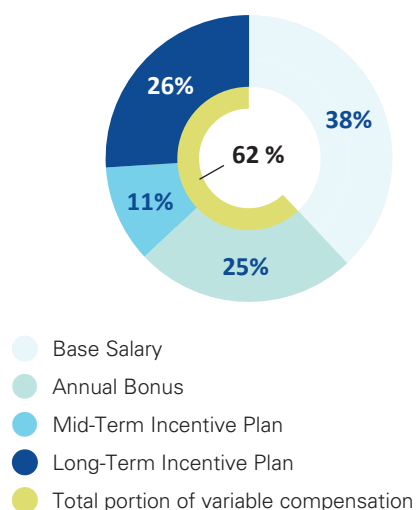
Mr. Potvin oversees the actuarial, risk management, accounting and tax services, investor relations, legal services and material resources.

### 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 <sup>(1)</sup>	\$287,350	\$264,800	\$73,980
<b>Total Direct Compensation</b>	<b>\$1,102,805</b>	<b>\$961,715</b>	<b>\$438,935</b>

(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
<b>Total</b>	<b>100</b>	<b>117.3</b>	<b>270,283</b>
Profit Threshold Met		Yes	Yes
<b>Total Bonus Paid</b>		<b>117.3</b>	<b>270,283</b>

## MICHAEL L. STICKNEY



**Executive Vice President  
and Chief Growth Officer**

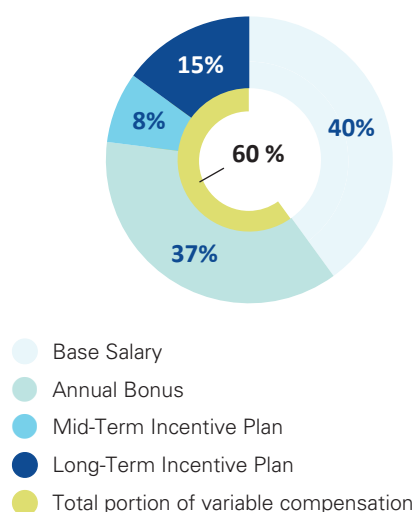
Michael Stickney has been Executive Vice President and Chief Growth Officer since September 1, 2019. He is also a member of the Corporation's Executive Committee. Mr. Stickney oversees the growth initiatives of all the Corporation's business lines, both in Canada and the United States. He oversees U.S. 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 <sup>(1)</sup>	\$188,830	\$304,520	\$283,590
<b>Total Direct Compensation</b>	<b>\$1,297,191</b>	<b>\$1,155,355</b>	<b>\$1,050,575</b>

(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
<b>Total</b>	<b>100</b>	<b>142.8</b>	<b>478,807</b>
Profit Threshold Met		Yes	Yes
<b>Total Bonus Paid</b>		<b>142.8</b>	<b>478,807</b>

## CARL MUSTOS



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.

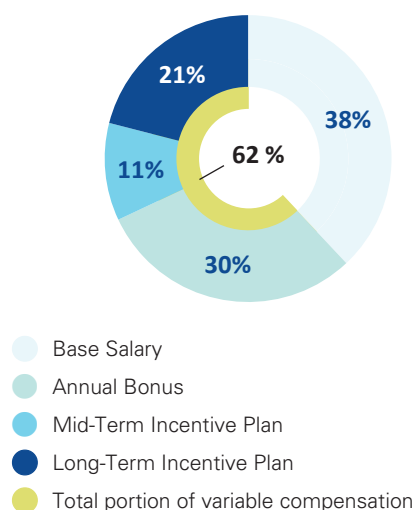
### Executive Vice President Wealth Management

#### 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 <sup>(1)</sup>	\$287,350	\$463,400	\$431,550
<b>Total Direct Compensation</b>	<b>\$1,362,159</b>	<b>\$1,414,435</b>	<b>\$1,383,347</b>

(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
<b>Total</b>	<b>100</b>	<b>121.7</b>	<b>406,609</b>
Profit Threshold Met		Yes	Yes
<b>Total Bonus Paid</b>		<b>121.7</b>	<b>406,609</b>



## 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

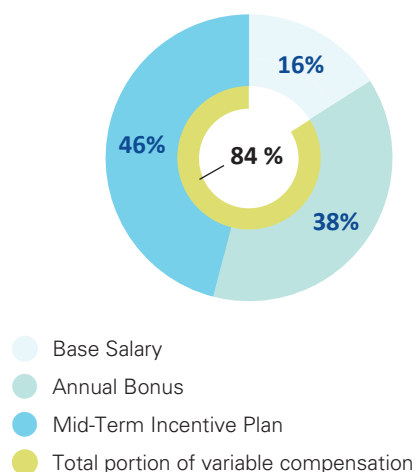
### Executive Vice President and Chief Investment Officer

#### 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 <sup>(1)</sup>	\$502,800	N/A	N/A
<b>Total Direct Compensation</b>	<b>\$1,096,122</b>	<b>N/A</b>	<b>N/A</b>

(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	-	-	-
<b>Total</b>	-	-	-
Profit Threshold Met		-	-
<b>Total Bonus Paid</b>		-	-

## 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.

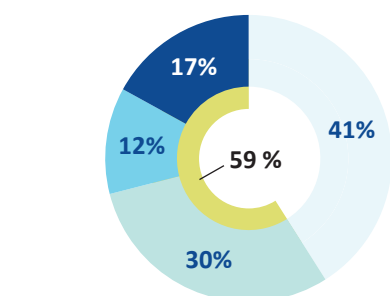
With a wealth of experience and an in-depth knowledge of Canada's insurance and financial services industry, Normand Pépin was advising the Corporation's President and Chief Executive Officer on issues affecting in particular strategic direction and business development. For several years, Mr. Pépin 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 <sup>(1)</sup>	\$246,300	\$463,400	\$493,200
<b>Total Direct Compensation</b>	<b>\$1,491,995</b>	<b>\$1,794,504</b>	<b>\$1,734,048</b>

<sup>(1)</sup> 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



- Base Salary
- Annual Bonus
- Mid-Term Incentive Plan
- Long-Term Incentive Plan
- Total portion of variable 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
<b>Total</b>	<b>75</b>	<b>99.9</b>	<b>455,546</b>
Profit Threshold Met		Yes	Yes
<b>Total Bonus Paid</b>		<b>99.9</b>	<b>455,546</b>

## Summary Compensation Table

Name and Principal Occupation	Year	Salary	Share-Based Awards <sup>(1)</sup>	Option-Based Awards <sup>(2)</sup>	Annual Incentive Plan <sup>(3)</sup> (non-equity)	Pension Value	Other Compensation <sup>(4)</sup>	Total Compensation
<b>DENIS RICARD</b> 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
<b>JACQUES POTVIN</b> 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
<b>MICHAEL L. STICKNEY</b> Executive Vice President and Chief Growth Officer	2019	\$519,057 <sup>(6)</sup>	\$110,497	\$188,830	\$478,807 <sup>(7)</sup>	\$354,475	N/A	\$1,651,666
	2018	\$463,843 <sup>(6)</sup>	\$107,465	\$304,520	\$279,887 <sup>(7)</sup>	\$326,124	N/A	\$1,481,839
	2017	\$453,509 <sup>(6)</sup>	\$104,982	\$283,590	\$208,494 <sup>(7)</sup>	\$319,196	N/A	\$1,369,771
<b>CARL MUSTOS</b> 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
<b>ALAIN BERGERON</b> Executive Vice President and Chief Investment Officer	2019	\$180,822	\$-	\$502,800	\$412,500 <sup>(9)</sup>	\$81,279	\$250,000 <sup>(5)</sup>	\$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
<b>NORMAND PÉPIN</b> Executive Vice President and Assistant to the President (retired)	2019	\$607,820	\$182,329	\$246,300	\$455,546	\$0	N/A <sup>(8)</sup>	\$1,491,995
	2018	\$591,265	\$177,372	\$463,400	\$562,467	\$0	N/A <sup>(8)</sup>	\$1,794,504
	2017	\$576,844	\$173,061	\$493,200	\$490,943	\$0	N/A <sup>(8)</sup>	\$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 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 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 <sup>(1)</sup>	
	Number	\$		\$	
<b>DENIS RICARD</b>	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	
<b>Total</b>	<b>264,333</b>			<b>6,465,687</b>	
<b>JACQUES POTVIN</b>	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
<b>Total</b>	<b>78,000</b>			<b>1,713,100</b>	
<b>MICHAEL L. STICKNEY</b>	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
<b>Total</b>	<b>211,000</b>			<b>6,012,100</b>	

## 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 <sup>(1)</sup>
		Number	\$			
<b>CARL MUSTOS</b>	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
<b>Total</b>		<b>193,000</b>				<b>4,631,010</b>
<b>ALAIN BERGERON</b>	2019	60,000		54.79	September 3, 2029	992,400
	<b>Total</b>	<b>60,000</b>				<b>992,400</b>
<b>NORMAND PÉPIN</b>	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
	<b>Total</b>		<b>150,000</b>			

(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 for the first 20 business days of the reference period. PSUs also accumulate notional dividends based on the dividends paid on Common Shares.

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

- (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 <sup>(1)</sup>	Share-Based Awards – Value Vested During the Year <sup>(2)</sup>	Compensation Based on a Non-Equity Incentive Plan – Value Earned During the Year <sup>(3)</sup>
<b>DENIS RICARD</b>	\$118,900	\$254,699	\$947,858
<b>JACQUES POTVIN</b>	\$17,270	\$-	\$270,283
<b>MICHAEL L. STICKNEY</b>	\$99,303	\$194,650	\$478,807
<b>CARL MUSTOS</b>	\$105,303	\$141,601	\$406,609
<b>ALAIN BERGERON</b>	\$0	\$-	\$412,500
<b>NORMAN PÉPIN</b>	\$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 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 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 Equivalents Received	Total Number of PSUs	Performance Coefficient	Vesting Price	Payment Value on Vesting	Award Value	Difference Between the Award Value and the Payment Value
	Number	Number	Number	Multiple	\$	\$	\$	\$
<b>DENIS RICARD</b>	2,494	230	2,724	1.348	69.21	254,699	137,370	117,329
<b>JACQUES POTVIN</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>MICHAEL L. STICKNEY</b>	1,906	176	2,082	1.348	69.21	194,650	104,982	89,668
<b>CARL MUSTOS</b>	2,451	226	2,677	0.76 <sup>(1)</sup>	69.21	141,601	135,002	6,599
<b>ALAIN BERGERON</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>NORMAND PÉPIN</b>	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 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	
<b>2017-2019</b>	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
<b>2017-2019</b>	66 % to 75 %	46 % to 55 %	1 % to 35 %	37 %	1.25

<b>75 %</b>		<b>25 %</b>		
Of the Coefficient of Net Earnings	+	Of the Coefficient of the Relative TSR	=	Coefficient of the Performance for the Period
<b>(1.38 x 75 % = 1.035)</b>		<b>(1.25 x 25 % = 0.313)</b>		<b>(1.348)</b>



## 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 <sup>(1)</sup>
	Year	Number	\$	\$
<b>DENIS RICARD</b>	2010	12,000	32.08	239,760
	2011	20,000	38.48	485,420
<b>JACQUES POTVIN</b>	2010	3,000	32.08	55,860
	2011	3,000	38.48	90,810
<b>MICHAEL L. STICKNEY</b>	2010	25,000	32.08	604,021
<b>CARL MUSTOS</b>	2010	10,000	32.08	217,661
<b>ALAIN BERGERON</b>	-	-	-	-
<b>NORMAND PÉPIN</b>	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
<b>Total</b>		<b>272,000</b>		<b>5,792,524</b>

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

		Resignation	Termination (without cause)	Termination (with cause)	Retirement	Termination Following a Change of Control
Nature of Payment		\$	\$	\$	\$	\$
<b>DENIS RICARD</b>	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
	<b>Total Value</b>	-	<b>10,482,840</b>	-	<b>610,589</b>	<b>10,482,840</b>
<b>JACQUES POTVIN</b>	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	180,355	-	180,355	180,355
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	<b>Total Value</b>	-	<b>180,355</b>	-	<b>180,355</b>	<b>180,355</b>
<b>MICHAEL L. STICKNEY</b>	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	378,601	-	378,601	378,601
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	<b>Total Value</b>	-	<b>378,601</b>	-	<b>378,601</b>	<b>378,601</b>
<b>CARL MUSTOS</b>	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	301,544	-	301,544	301,544
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	<b>Total Value</b>	-	<b>301,544</b>	-	<b>301,544</b>	<b>301,544</b>
<b>ALAIN BERGERON</b>	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	-	-	-	-
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	<b>Total Value</b>	-	-	-	-	-

## Other Information

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### Normal Course Issuer Bid

On November 12, 2019, the Corporation's normal course issuer bid was renewed and will end no later than November 11, 2020 unless it is renewed again. This program allows the Corporation to acquire, in the aforementioned period, a maximum of 5,335,397 Common Shares, representing approximately 5 % of the issued and outstanding Common Shares as at November 1, 2019. The repurchases are carried out through the Toronto Stock Exchange or another Canadian trading platform, in accordance with market rules and policies. The price paid by the Corporation for any repurchased Common Share corresponds to the market price prevailing at the time of purchase. The Corporation considers that the repurchase of its Common Shares represents an appropriate use of its funds and is in the best interest of the Corporation and its Shareholders. From November 12, 2018 to November 11, 2019, the Corporation (and iA Insurance before the arrangement) had collectively repurchased and cancelled 3,905,011 Common Shares under the program.

Shareholders may obtain, without charge, copies of the notice of intent related to the Corporation's share normal course issuer bid, approved by the Toronto Stock Exchange, upon request to the Corporate Secretary at 1080 Grande Allée West, P.O. Box 1907, Station Terminus, Quebec City, Quebec, G1K 7M3.

### Interest of Informed Persons in Material Transactions

To our knowledge, none of the executive officers, directors, or nominee directors of the Corporation or any of their associates or affiliates, had an interest, direct or indirect, in a material transaction completed since the start of the last completed fiscal year of the Corporation or in a proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries.

### Indebtedness of Directors, Executive Officers and Employees

The Corporation does not grant loans to directors and executive officers to acquire its shares. 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.

### Additional Information

Financial information about the Corporation is provided in our comparative consolidated financial statements and our Management's Discussion and Analysis for our last completed financial year. The most recent copies of these documents and those of our Annual Information Form and our Annual Report may be consulted on our website at ia.ca. To obtain free copies of these documents, please send a written request to the Corporate Secretary at 1080 Grande Allée West, P.O. Box 1907, Station Terminus, Quebec City, Quebec, G1K 7M3. Additional information on the Corporation is also provided on the SEDAR website at sedar.com as well as on our website.

### Approval of the Directors

The contents and sending of the Circular have been approved by the Board of Directors.

Quebec City, Quebec, March 9, 2020



Jennifer Dibblee  
Vice President, Legal Services  
and Corporate Secretary

# SCHEDULE A – Board of Directors Charter

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## BOARD OF DIRECTORS CHARTER iA FINANCIAL CORPORATION INC.

The Board of Directors (the “**Board**”) is responsible for independently supervising the strategic planning and internal affairs of iA Financial Corporation Inc. (the “**Corporation**”).

### Composition and Quorum

The Board must be constituted in accordance with the Corporation’s by-laws, as amended from time to time.

The Board shall be composed of at least nine (9) and no more than twenty-one (21) directors.

Quorum will exist at Board meetings when a majority of directors in office are present. If the quorum required to vote on a resolution is not met solely because a director is not entitled to take part in deliberations under law, the other directors present will be deemed to constitute quorum for voting purposes.

### Role and Responsibilities

The Board has two fundamental functions: decision-making and oversight.

The **decision-making function** comprises the formulation, in conjunction with executive management, of corporate culture, strategic objectives and risk appetite as well as the adoption of fundamental policies and approval of key business decisions.

The **oversight function** comprises the review of executive decisions and of management’s conduct of business, of the adequacy of internal systems and controls and of the implementation of policies and corrective measures. It also includes providing sound advice and guidance to senior management.

It is incumbent upon the Board to fulfill the responsibilities outlined in this charter, either directly or through a committee. Committees must report their activities and recommendations to the Board.

The Board’s responsibilities include:

#### 1. Corporate culture

- Promote a culture of integrity within the Corporation based on ethical corporate behaviour.
- Ensure the integrity of the president and CEO and other senior executives and make sure they foster a culture of integrity throughout the Corporation.
- Ensure that the president and CEO, senior executives and key Corporation members respect the criteria of integrity, probity and competence, and act in a manner consistent with the Corporation’s long-term values and interests.
- Adopt the *Code of Business Conduct of iA Financial Group* (the “**Code**”), which defines standards that can reasonably be expected to promote integrity and prevent misconduct, including conflicts of interest and the handling of confidential information.
- Monitor compliance with the Code and receive reports confirming adherence thereto.

#### 2. Strategic planning

- Adopt a strategic planning process that includes capital management planning.
- Oversee the development of the Corporation’s strategic direction, plans and priorities.
- Approve, at least once a year, a strategic plan that takes into account namely the Corporation’s financial objectives, opportunities, risks and risk appetite.
- Monitor the implementation and effectiveness of approved strategic and business plans.
- Approve major business decisions.

### **3. Risk management and oversight**

#### **3.1. Risk management framework**

- Approve annually the Corporation's risk appetite statement and risk tolerance level and take reasonable measures to ensure that they are adequately respected.
- Approve and oversee policies put in place to detect, manage and report the main risks associated with the Corporation's activities.
- Receive periodic reports on significant and emerging risks and on developments likely to change the Corporation's risk profile.
- Ensure that the integrated risk management framework is established and implemented by management to control these risks.

#### **3.2. Compliance**

- Ensure that management implements a compliance management program that includes the monitoring of non-compliance risks and assures compliance with the legal requirements associated with the Corporation and its activities.

#### **3.3. Financial information and internal controls**

- Oversee internal control systems regarding financial information and the communication thereof, monitor their integrity and periodically ensure the effectiveness of their design and performance.
- Ensure that management takes appropriate action to correct any significant problems with internal control systems and ensure appropriate follow-up.
- Review and approve, before publication, annual and quarterly financial statements and Management's Discussion and Analysis reports, the annual information form, the management proxy circular and other disclosure documents, drawing on detailed analyses supplied by senior management and the Audit Committee.
- Oversee compliance with audit, accounting and reporting requirements.
- Approve dividend payments as well as capital allocation, expenditures and transactions that exceed the thresholds set by the Board.

### **4. Governance**

#### **4.1. Structure**

- Develop a set of governance principles and guidelines.
- Adopt a policy on director independence and develop appropriate structures that enable the Board to act independently of management.
- Establish Board committees and define their mandates to assist the Board in fulfilling its role and responsibilities.
- Set expectations for directors, including attendance at, preparation for and participation in meetings.
- Define directors' obligations and ensure that each director fulfills their obligations honestly and in good faith, in the best interest of the Corporation and by exercising the care, diligence and skill expected of a reasonable and prudent person.

#### **4.2. Board elections, evaluation and compensation**

- Recommend to shareholders candidates for election as directors.
- Approve the appointment of the Board Chair and Board committee Chairs and members.
- Approve the compensation of directors.
- Conduct regular individual and collective self-assessments of the Board, its committees and its members and review its composition with a view to ensuring its effectiveness and contribution, while striving for the independence of the Board and its members.
- Review the Board's succession plan on a regular basis.



#### 4.3. Training

- Ensure that directors have access to an orientation program and continuing education to further hone their skills and to develop an in-depth knowledge of the Corporation, the environment in which it operates, its culture, its business lines and its risk profile.

#### 5. Senior management oversight and compensation

- Oversee the establishment of the Corporation's guiding principles regarding human resources and compensation and approve the organizational structure.
- Approve the compensation policy for senior executives and other key Corporation members, ensuring that the policy is in line with the Corporation's long-term interests.
- Oversee the selection, appointment and development of the president and CEO, all senior executives and other key Corporation members.
- Review annual performance targets and evaluate the annual performance of the President and CEO, all senior executives and other key Corporation members.
- Review, on a regular basis, the succession plan for the President and CEO, senior executives and other key Corporation members.

#### 6. Communications and public disclosure

- Approve the disclosure policy that governs the release of information about the Corporation, ensuring that said information is disclosed in a timely, accurate and fair manner in compliance with all legal and regulatory requirements.
- Supervise important communications and information intended for stakeholders, it being understood that the president and CEO, Board Chair and any other director authorized by the president and CEO or Board Chair may communicate with the Corporation's shareholders and partners on the Corporation's behalf.

### Board procedures

**Frequency:** The Board holds at least four regular meetings a year and may convene special meetings as required. The Board Chair and the president and CEO of the Corporation may call a meeting at any time.

**Chair:** The Board Chair presides at all of the Corporation's annual and special meetings and at all Board meetings. The Chair is an ex officio member of all Board committees, may vote and is counted for quorum purposes at committee meetings.

**Secretary:** The secretary of the Corporation or, in the secretary's absence, the assistant secretary of the Corporation or any other person designated by the members of the Board may act as secretary.

**Agenda:** The Board Chair sets the agenda for each meeting in consultation with the Corporation's president and CEO and secretary. The agenda and relevant documents are distributed to Board members on a timely basis before meetings.

**In-camera sessions:** The Board holds an in-camera session without management after each meeting.

**Consultation powers:** In the performance of its duties, the Board may consult management without restriction and has the authority to select and engage, to assist it in carrying out its responsibilities, a legal, accounting or other independent advisor and to terminate the latter's mandates and approve its fees.

**Charter review:** The Board periodically reviews its charter and makes any necessary changes.

## SCHEDULE B – Shareholder Proposals

Ms. Elsener, 3657 chemin Saint-Louis, Quebec, Quebec, G1W 1T2 and Ms. Hélène Dufresne, 200-2505, Laurier Blvd, Quebec, Quebec, G1V 2L2, are submitting, for consideration at the Meeting, three Shareholder proposals. These proposals, together with Ms. Elsener and Dufresne’s comments supporting those proposals, are included hereafter. The Board response, particularly its voting recommendation, follows each of the proposals.

### Proposal n°1 – Risk related to climate change

**In order to better manage the financial risk related to climate change, it is hereby proposed that Industrial Alliance analyse climate risk and report the results of its analysis in the Risk Management section of its 2020 annual report.**

In April 2019, Don Forgeron, President and CEO of the Insurance Bureau of Canada, stated: “The property and casualty insurance industry continues to see the devastating effects of this new era of an unpredictable, changing climate.”<sup>1</sup>

Indeed, natural disasters fuelled by climate change cost insurance companies \$138 billion in 2017. In a recent survey by the Canadian Institute of Actuaries released in March 2019, climate change was rated as the highest current and emerging risk by more than 250 actuaries.<sup>2</sup>

In addition, a report by the International Association of Insurance Supervisors published in 2018 states: “Climate risks present significant material challenges for the insurance sector, which are likely to grow over time. Because of the dynamic, complex, and global impacts of climate change across the economy and society, it is likely that all insurance businesses will be directly or indirectly affected by climate risks over the long term. In this context, it is imperative that all insurers consider their exposure to climate risks, regardless of size, specialty, domicile, or geographic reach, and seek to build resilience to such risks where appropriate.”<sup>3</sup>

Finally, in the February 2019 edition of the *Pillar* newsletter, the Office of the Superintendent of Financial Institutions (OSFI) of Canada states its desire for insurance companies to develop a climate change risk management strategy.<sup>4</sup>

1 <https://insurance-portal.ca/article/lbc-joins-in-urgent-call-for-climate-adaptation/>

2 Canadian Institute of Actuaries, 12th Annual Survey of Emerging Risks, March 2019, 11 pages.

3 [https://www.insurancejournal.com/research/app/uploads/2018/08/IAIS\\_and\\_SIF\\_Issues\\_Paper\\_on\\_Climate\\_Change\\_Risks\\_to\\_the\\_Insurance\\_Sector\\_-1.pdf](https://www.insurancejournal.com/research/app/uploads/2018/08/IAIS_and_SIF_Issues_Paper_on_Climate_Change_Risks_to_the_Insurance_Sector_-1.pdf)

4 <https://www.osfi-bsif.gc.ca/Eng/Docs/pl201902.pdf>

### Arguments

THE CORPORATION’S POSITION: FOR THE REASONS HEREAFTER SET OUT, THE BOARD OF DIRECTORS RECOMMENDS THAT IA FINANCIAL CORPORATION COMMON SHAREHOLDERS VOTE **AGAINST** THE PROPOSAL.

Risks related to climate change are considered during the annual assessment of the Corporation’s strategic and emerging risks. These analyses, integrated into the corporate and business unit strategic planning process, allow iA Financial Corporation to identify and prevent the impacts that climate change could have on the conduct of its business in the long term. These analyses lead to the conclusion that climate change risks do not represent a material risk for the Corporation. Only material risks are subject to specific disclosure in the Annual Report.

The Corporation’s *Sustainable Development Report* contains additional disclosure items concerning the initiatives thereof in connection with the fight against climate change.

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

More generally, for years, the Corporation has been committed to supporting the fight against climate change by proactively reducing its carbon footprint.

In 2019, the Corporation became a signatory of the United Nations Principles for Responsible Investment (PRI) through its subsidiary, Industrial Alliance Investment Management Inc. The Corporation is deploying for measuring ESG risk in order to support the selection of securities, thereby strengthening the analysis of the risks associated with climate change in portfolios' management.

The Corporation will publish the first responsible investment report in the first quarter of 2021, which will focus on the activities carried out in 2020.

On December 13, 2019, the Corporation announced its commitment to pursue its projects and initiatives aimed at reducing greenhouse gas (GHG) emissions at the source and to offset its GHG emissions through the purchase of carbon credits and therefore become a carbon neutral company as of 2020. In the 2020 *Sustainable Development Report*, the Corporation will release its 2019 GHG emissions data and its carbon offsetting.

For these reasons, the Board of Directors recommends that the Common Shareholders vote AGAINST the proposal.

## Proposal n°2 – Measured targets for environmental impact reduction

**In order to ensure that it substantially reduces its environmental impact, it is hereby proposed that Industrial Alliance adopt measured environmental impact reduction objectives with clearly identified targets in its Sustainable Development Policy.**

The objective described in the Managing Environmental Impact chapter appears vague and unspecific, which prevents effective mobilization and an objective assessment of the progress made. Many managers use the SMART method to define objectives as it allows them to set targets that are likely to generate optimal results. Targets set using this method must be specific, measurable, achievable, realistic and timely.

Allianz Group uses such an approach. Consequently, this insurance company has set objectives including:

- 30 % reduction in energy consumption per employee by 2020 (2010 baseline) within Allianz Group
- 30 % reduction of CO<sub>2</sub> emissions per employee by 2020 (2010 baseline) within Allianz Group
- 40 % paper reduction by 2020 (2014 baseline) within Allianz Group

This method has earned the company the number one insurer ranking in the Dow Jones Sustainability Index for a second consecutive year. Its score of 85 out of 100 points was well above the industry average of 47 points. It also ranked highest in the industry for climate strategy, human capital development, information security, tax strategy and financial inclusion.<sup>1</sup>

<sup>1</sup> [https://www.allianz.com/content/dam/onemarketing/azcom/Allianz\\_com/sustainability/documents/Allianz\\_Group\\_Sustainability\\_Report\\_2018-web.pdf](https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/sustainability/documents/Allianz_Group_Sustainability_Report_2018-web.pdf)

## Arguments

THE CORPORATION'S POSITION: FOR THE REASONS HEREAFTER SET OUT, THE BOARD OF DIRECTORS RECOMMENDS THAT IA FINANCIAL CORPORATION COMMON SHAREHOLDERS VOTE AGAINST THE PROPOSAL.

On December 13, 2019, iA Financial Corporation announced its commitment to pursue its projects and initiatives aimed at reducing greenhouse gas (GHG) emissions at the source and to offset its GHG emissions through the purchase of carbon credits and therefore become a carbon neutral company as of 2020.

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.

The Corporation will prepare a statement on greenhouse gas emissions in 2020. This statement will be evaluated by a specialized external firm and will be drawn up in accordance with the following standards (where applicable):

- ISO 14064;
- GHG Protocol;
- Factors of emissions which:
  - come from a recognized source,
  - are suitable for the GHG sources or sinks in question;
  - are in common use at the time of quantification;
  - take into account the uncertainty of the quantification and are calculated in a manner that generates accurate and reproducible results;
  - are consistent for the purposes of the evaluation.

The application of the ISO 14064-1 principles is essential to guarantee that the GHG information is true and accurate.

In its 2020 *Sustainable Development Report*, the Corporation will release its 2019 GHG emissions data.

Furthermore, 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., thereby undertaking to integrate GHG issues into its decision-making and investment analysis processes.

The first report on the Corporation's responsible investment activities will be published in the first quarter of 2021 and will cover the activities carried out in 2020.

Furthermore, every year since 2007, the Corporation has prepared a report on its greenhouse gas emissions in connection with the *Carbon Disclosure Project*.

For these reasons, the Board of Directors recommends that the Common Shareholders vote AGAINST the proposal.

## Proposal n°3 – Advisory expertise in sustainable development

**In order to ensure that it uses the most relevant metrics, obtains meaningful results and identifies the multiple issues involved with sustainable development, it is hereby proposed that Industrial Alliance use the services of advisory experts in sustainable development to adequately guide the Sustainable Development Committee.**

In its 2018 Sustainability Report, Industrial Alliance reports that, for its properties, air emissions in CO<sub>2</sub> equivalent tons increased from 2,560 to 5,320 between 2016 and 2017. The significant increase is reportedly due to the addition of properties in Montreal, Toronto, Calgary, Vancouver and Victoria in the GHG calculation. As such, to counter fluctuations caused by the purchase or sale of properties that prevent having a precise evaluation of the energy efficiency of the company's real estate holdings, it would be preferable to use performance metrics like the number of kilowatt hours per square metre or the number of CO<sub>2</sub> kilos emitted per square metre of surface area.

The results obtained regarding waste management and transportation appear marginal. Fourteen cyclists in 2018 among Industrial Alliance employees in Vancouver seems minimal. There is no mention of reduction or reuse of waste materials. Moreover, tangible results regarding many important environmental issues such as the greening of properties, canopy index, biophilic architecture, the protection of natural environments of interest, disinvestment in fossil fuels, rainwater management and the fight against heat islands are non-existent in the results presented in the 2018 Sustainability Report.

## Arguments

THE CORPORATION'S POSITION: FOR THE REASONS HEREAFTER SET OUT, THE BOARD OF DIRECTORS RECOMMENDS THAT IA FINANCIAL CORPORATION COMMON SHAREHOLDERS VOTE **AGAINST** THE PROPOSAL.

In its sustainable development approach, the Corporation relies on consultants on different projects, including:

- In 2018, the Corporation was advised by a firm specializing in the integration of GHG issues in investment decisions. This firm advised the Corporation in the process that led it to become a signatory of the United Nations PRI.
- In 2019, the Corporation retained the services of a supplier of ESG ratings listed companies around the world. This partnership is in line with the Corporation's PRI approach.
- In December 2019, the Corporation retained the services of an environmental firm to advise it in its carbon neutrality approach. This firm helps companies and organizations to record, reduce and offset their carbon footprint, particularly their climate impact. This firm will evaluate the Corporation's GHG statement for the year 2020 and beyond.
- For years, the Corporation has been working with specialized firms on various other issues specific to sustainable development, including waste management.

As mentioned above, the Corporation, which it is required and relevant, uses consultants specializing in sustainable development to advise it.

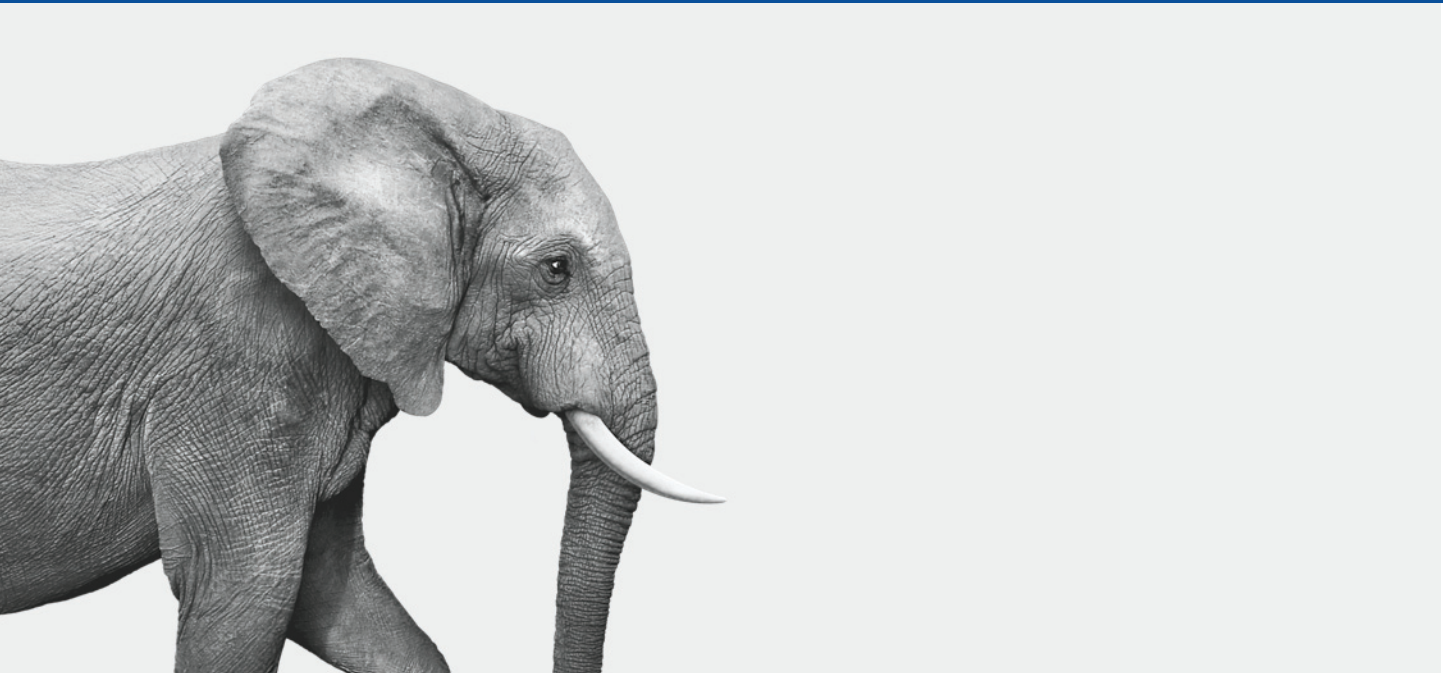
For these reasons, the Board of Directors recommends that the Common Shareholders vote AGAINST the proposal.

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