

ANNUAL INFORMATION FORM
For the year ended December 31, 2021
iA Financial Corporation Inc.
March 30, 2022

WITH YOU



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Reporting

General Information

The Corporation's name is "iA Financial Corporation Inc." (hereinafter "**iA Financial Corporation**" or the "**Corporation**").

In this Annual Information Form, "**iA Financial Group**" refers to iA Financial Corporation and its subsidiary, Industrial Alliance Insurance and Financial Services Inc. ("**iA Insurance**").

Unless otherwise indicated, all information presented in this Annual Information Form is established as at December 31, 2021 or for the year ended on that date and is presented on a consolidated basis. All amounts indicated in this Annual Information Form are denominated in Canadian dollars unless otherwise specified. The Corporation's results and financial statements are presented in accordance with the International Financial Reporting Standards ("**IFRS**"), and in accordance with the accounting requirements prescribed by the regulatory authorities. This Annual Information Form was filed on the SEDAR website (the System for Electronic Document Analysis and Retrieval) at sedar.com on March 30, 2022 under iA Financial Corporation Inc.'s profile.

Documents Incorporated by Reference

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

- the Management's Discussion and Analysis for the year ended December 31, 2021 ("**Management's Discussion and Analysis**"). The *Management's Discussion and Analysis* was filed on the SEDAR website on February 17, 2022; and
- the Consolidated Financial Statements for the years ended December 31, 2021 and 2020, including the Notes to Consolidated Financial Statements (the "**Consolidated Financial Statements**"). The *Consolidated Financial Statements* were filed on the SEDAR website on February 17, 2022.

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

Non-IFRS Financial Information

iA Financial Corporation and iA Insurance report their financial results and statements in accordance with IFRS. They also publish certain financial measures or ratios that are not based on IFRS ("**non-IFRS**"). A financial measure is considered a non-IFRS measure for Canadian securities law purposes if it is presented other than in accordance with the generally accepted accounting principles ("**GAAP**") used for the Corporation's audited financial statements. The Corporation uses non-IFRS measures when evaluating its results and measuring its performance. The Corporation believes that non-IFRS measures provide additional information to better understand its financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full year results of the Corporation's ongoing operations. Since non-IFRS measures do not have standardized definitions and meaning, they may differ from the non-IFRS financial measures used by other institutions and should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. The Corporation strongly encourages investors to review its financial statements and other publicly filed reports in their entirety and not to rely on any single financial measure. These non-IFRS measures are often

accompanied by and reconciled with IFRS financial measures. For certain non-IFRS measures, there are no directly comparable amounts under IFRS.

Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure from the Canadian Securities Administrators (“**Regulation 52-112**”) establishes disclosure requirements that apply, respectively, to each of the following categories of non-IFRS measures used by the Corporation:

- Non-IFRS financial measures, which depict the historical or expected future financial performance, financial position or cash flow, and with respect to their composition, exclude an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the Corporation’s financial statements.
- Non-IFRS ratios, which are in the form of a ratio, fraction, percentage, or similar representation, have a non-IFRS financial measure as one or more of their components and are not disclosed in the Corporation’s financial statements.
- Supplementary financial measures, which are disclosed on a periodic basis to depict historical or expected future financial performance, financial position, or cash flow and are not disclosed in the Corporation’s financial statements.
- Capital management measures, which are financial measures intended to enable the reader to evaluate the Corporation’s objectives, policies, and processes for managing its capital.
- Segment measures, which combine financial measures for two or more reportable segments of the Corporation and are not disclosed in the Corporation’s financial statements.

Below is a description of the non-IFRS financial measures, non-IFRS ratios and supplementary financial measures used by the Corporation. Additional information is provided, along with a description of the reconciliation to the closest IFRS measure, where applicable.

Non-IFRS measures published by the Corporation are:

- Return on common shareholders’ equity (ROE):
 - *Category under Regulation 52-112:* Supplementary financial measure.
 - *Definition:* A ratio, expressed as a percentage, obtained by dividing the consolidated net income available to common shareholders by the average common shareholders’ equity for the period.
 - *Purpose:* Provides a general measure of the Corporation’s efficiency in using equity.
- Core earnings:
 - *Category under Regulation 52-112:* Non-IFRS financial measures that constitute historical information.
 - *Definition:* Removes from reported earnings (loss) the impacts of the following items that create volatility in the Corporation’s results under IFRS, or that are not representative of its underlying operating performance:
 - a. market-related impacts that differ from management’s best estimate assumptions, which include impacts of returns on equity markets and changes in interest rates related to (i) management fees collected on assets under management or administration (MERS), (ii) universal life policies, (iii) the level of assets backing long-term liabilities, and (iv) the dynamic hedging program for segregated fund guarantees;
 - b. assumption changes and management actions;
 - c. charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs;
 - d. amortization of acquisition-related finite life intangible assets;
 - e. non-core pension expense, that represents the difference between the asset return (interest income on plan assets) calculated using the expected return on plan assets and the IFRS prescribed pension plan discount rate; and
 - f. specified items which management believes are not representative of the performance of the Corporation, including (i) material legal settlements and provisions, (ii) unusual income tax gains and losses, (iii) material impairment charges related to goodwill and intangible assets, and (iv) other specified unusual gains and losses.

Note: This core earnings definition is applicable as of January 1, 2021. However, the core results for prior periods that are presented for comparison purposes have also been calculated according to this definition.

The changes to the definition of core earnings that occurred at the beginning of 2021 are consistent with the ongoing evolution of the business and allow for a better reflection and assessment of the underlying operating business performance, while maintaining consistency with the general concept of the metric and continuity with the previous definition.

- *Purpose:* Used to better understand the Corporation's capacity to generate sustainable earnings.
- *Reconciliation:* "Net income attributed to common shareholders" is the most directly comparable IFRS measure disclosed in the financial statements of the Corporation to which the measure relates, and a reconciliation with this measure is presented in the "Management's Discussion and Analysis" for 2021, which is available at sedar.com.

— Core earnings per common share (core EPS):

- *Category under Regulation 52-112:* Non-IFRS ratio.
- *Definition:* Obtained by dividing the core earnings by the diluted weighted average number of common shares.
- *Purpose:* Used to better understand the Corporation's capacity to generate sustainable earnings and is an additional indicator for evaluating the Corporation's financial performance.
- *Reconciliation:* "Earnings per common share (EPS)" is the most directly comparable IFRS financial measure disclosed in the financial statements of the Corporation to which the measure relates, and a reconciliation with this measure is presented in the "Management's Discussion and Analysis" for 2021, which is available at sedar.com.

— Core return on common shareholders' equity (core ROE):

- *Category under Regulation 52-112:* Non-IFRS ratio.
- *Definition:* A ratio, expressed as a percentage, obtained by dividing the consolidated core earnings by the average common shareholders' equity for the period.
- *Purpose:* Provides a general measure of the Corporation's efficiency in using equity, based on core earnings, and an additional indicator for evaluating the Corporation's financial performance.
- *Reconciliation:* There is no directly comparable IFRS financial measure that is disclosed in the financial statements of the Corporation to which the measure relates.

— Components of the sources of earnings (SOE), on a reported and core basis:

- *Category under Regulation 52-112:* Supplementary financial measures.
- *Definition:* Presents sources of earnings in compliance with the guideline issued by the Office of the Superintendent of Financial Institutions and developed in cooperation with the Canadian Institute of Actuaries using the following components:
 - a. Operating profit, which is the sum of the following components of the sources of earnings analysis: expected profit on in-force, experience gains and losses, impact of new business and changes in assumptions and management actions.
 - b. Expected profit on in-force, which represents the portion of the consolidated net income on business in force at the start of the reporting period that was expected to be realized based on the achievement of best-estimate assumptions.
 - c. Experience gains or losses, which represent the difference between reported income and the income that would have been reported if all assumptions made at the start of the period had materialized.
 - d. Impact of new business, or strain, which represents the point-of-sale impact on net income of writing new business during the period. The expected profit realized in the years after a policy is issued should cover the strain incurred at the time of issue.
 - e. Changes in assumptions and management actions, which is the impact on pre-tax net income resulting from changes in actuarial methods and assumptions or other management actions. Changes in assumptions result from the Corporation ensuring the adequacy of its provisions given the existing economic and financial environment as well as the Corporation's own experience in terms of mortality, morbidity, lapse rates, unit costs and other factors. Management actions represent the impact of actions apart from the normal operation of the business, including but not limited to changes in methodology, model refinement and impacts of acquisitions, mergers and divestitures.

- f. Income on capital, which represents the income derived from investments in which the Corporation's capital is invested, minus any expenses incurred to generate that income. The Corporation also includes financing expenses from debentures, amortization of intangible assets related to acquisitions and the results of the iA Auto and Home (IAAH) subsidiary in this item.
 - g. Income taxes, which represent the value of amounts payable under the tax laws and include tax payable and deferred income taxes. A life insurer's investment income taxes and premium taxes are not included in these amounts. Income taxes are considered to be an expense for the purpose of calculating the operating profit.
 - *Purpose:* Provides additional indicators for evaluating the Corporation's financial performance and an additional tool to help investors better understand the source of shareholder value creation.
 - *Reconciliation:* There is no directly comparable IFRS financial measure for components of the SOE that is disclosed in the financial statements of the Corporation to which the measure relates.
- Car loan measure – Loan originations:
- *Category under Regulation 52-112:* Supplementary financial measures.
 - *Definition:* New car loans disbursed during a period.
 - *Purpose:* Used to assess the Corporation's ability to generate new business in the car loan business unit.
 - *Reconciliation:* It is a component of the "Operating activities affecting cash: Purchases of investments" IFRS measure disclosed in the Corporation's financial statements.
- Car loan measure – Finance receivables:
- *Category under Regulation 52-112:* Non-IFRS financial measures that constitute historical information.
 - *Definition:* Includes car loans, accrued interest, and fees.
 - *Purpose:* Used to assess the Corporation's total receivable amounts in the car loan business unit.
 - *Reconciliation:* There is no directly comparable IFRS financial measure disclosed in the financial statements of the Corporation to which the measure relates.
- Car loan measure – Average credit loss rate on car loans:
- *Category under Regulation 52-112:* Non-IFRS ratio.
 - *Definition:* Represents the total credit losses divided by the average finance receivables over the same period.
 - *Purpose:* Used to assess the Corporation's average credit performance in the car loan business unit.
 - *Reconciliation:* There is no directly comparable IFRS financial measure disclosed in the financial statements of the Corporation to which the measure relates.
- Dividend payout ratio:
- *Category under Regulation 52-112:* Supplementary financial measure.
 - *Definition:* The percentage of net income attributed to common shareholders, on a reported basis, that is distributed to common shareholders in the form of dividends during the period.
 - *Purpose:* Indicates the percentage of the Corporation's reported revenues shareholders received in the form of dividends.
 - *Reconciliation:* The dividend payout ratio is the ratio of the dividend per common share paid during the period (an IFRS measure) divided by the reported earnings per common share for the period.
- Core dividend payout ratio:
- *Category under Regulation 52-112:* Non-IFRS ratio.
 - *Definition:* The percentage of net income attributed to common shareholders, on a core earnings basis, that is distributed to common shareholders in the form of dividends during the period.
 - *Purpose:* Indicates the percentage of the Corporation's core revenues shareholders received in the form of dividends.

- *Reconciliation*: The core dividend payout ratio is the ratio of the dividend per common share paid during the period (an IFRS measure) divided by the core earnings per common share for the period.
- Organic capital generation:
 - *Category under Regulation 52-112*: Supplementary financial measure.
 - *Definition*: Excess capital generated in the normal course of business, excluding the impact of the macroeconomic environment, where excess capital is the amount of capital over and above the target ratio, calculated under the *Capital Adequacy Requirements Guideline – Insurance of Persons (CARLI)* revised in January 2021 by the Autorité des marchés financiers (“**AMF**”).
 - *Purpose*: Provides a measure of the Corporation’s capacity to generate excess capital in the normal course of business.
- Potential capital deployment:
 - *Category under Regulation 52-112*: Supplementary financial measure.
 - *Definition*: Amount of capital the Corporation can deploy for a transaction, taking into account all limits and constraints of the regulatory capital guideline and the Corporation’s targets, assuming the transaction parameters to be the worst-case scenario.
 - *Purpose*: Provides a measure of the Corporation’s capacity to deploy capital for transactions.
- Total payout ratio (trailing 12 months):
 - *Category under Regulation 52-112*: Supplementary financial measure.
 - *Definition*: The sum of common dividends paid and common shares repurchased (buybacks) over the last twelve months divided by the net income available to common shareholders over the last twelve months.
 - *Purpose*: Indicates the percentage of the Corporation’s reported revenues shareholders received in the form of dividends over a twelve-month period.
- Sensitivity measures:
 - *Category under Regulation 52-112*: Supplementary financial measure.
 - *Definition*: The impact of macroeconomic variations, such as interest rate and equity market variations, on other Corporation metrics, such as net income or the solvency ratio.
 - *Purpose*: Used to assess the Corporation’s risk exposure to macroeconomic variations.
- Financial leverage measure – Debentures/Capital:
 - *Category under Regulation 52-112*: Supplementary financial measure.
 - *Definition*: Calculated by dividing total debentures by the sum of total debentures plus shareholders’ equity.
 - *Purpose*: Provides a measure of the Corporation’s financial leverage.
- Financial leverage measure – Debentures + Preferred Shares issued by a subsidiary/Capital:
 - *Category under Regulation 52-112*: Supplementary financial measure.
 - *Definition*: Calculated by dividing the total debentures plus preferred shares issued by a subsidiary by the sum of total debentures plus shareholders’ equity.
 - *Purpose*: Provides a measure of the Corporation’s financial leverage.
- Financial leverage measure – Coverage ratio:
 - *Category under Regulation 52-112*: Non-IFRS ratio.
 - *Definition*: Calculated by dividing earnings for the past twelve months (before interest and taxes) by the sum of interest, preferred shares issued by a subsidiary, and dividends and redemption premiums on preferred shares issued by a subsidiary (if applicable).
 - *Purpose*: Provides a measure of the Corporation’s ability to meet liquidity requirements for obligations when they come due.

- *Reconciliation:* There is no directly comparable IFRS financial measure disclosed in the financial statements of the Corporation to which the measure relates.
- Capitalization:
- *Category under Regulation 52-112:* Supplementary financial measures.
 - *Definition:* The sum of the Corporation's equity, participating policyholders' accounts and debentures.
 - *Purpose:* Provides an additional indicator for evaluating the Corporation's financial performance.
 - *Reconciliation:* This measure is the sum of several IFRS measures.
- Solvency ratio:
- *Category under Regulation 52-112:* In accordance with the *Capital Adequacy Requirements Guideline – Insurance of Persons (CARLI)* revised in January 2021 by the AMF, this financial measure is exempt from certain requirements of *Regulation 52-112*.
 - *Definition:* Calculated by dividing the sum of the available capital, the surplus allowance and the eligible deposits by the base solvency buffer.
 - *Purpose:* Provides a measure of the Corporation's solvency and allows the regulatory authorities to determine if an insurance company is sufficiently capitalized in relation to the minimum set by the Corporation's regulator.
- Assets under administration (AUA):
- *Category under Regulation 52-112:* Supplementary financial measures.
 - *Definition:* All assets with respect to which the Corporation acts only as an intermediary between a client and an external fund manager.
 - *Purpose:* Used to assess the Corporation's ability to generate fees, particularly for investment funds and funds under administration.
 - *Reconciliation:* There is no directly comparable IFRS financial measure disclosed in the financial statements of the Corporation to which the measure relates.
- Assets under management (AUM):
- *Category under Regulation 52-112:* Non-IFRS financial measures that constitute historical information.
 - *Definition:* All assets with respect to which the Corporation establishes a contract with a client and makes investment decisions for amounts deposited in this contract.
 - *Purpose:* Used to assess the Corporation's ability to generate fees, particularly for investment funds and funds under administration.
 - *Reconciliation:* "General fund assets" and "Segregated funds net assets" disclosed in the Corporation's financial statements are IFRS measures and components of the AUM calculation. A reconciliation is presented in the "Management's Discussion and Analysis" for 2021, which is available at sedar.com.
- Individual Wealth Management mutual funds deposits, Group Savings and Retirement deposits, US Operations Dealer Services premium equivalents and Group Insurance Employee Plans ASO, Investment contracts and premium equivalents and deposits:
- *Category under Regulation 52-112:* Supplementary financial measures.
 - *Definition:*
 - a. Deposits refer to amounts received from clients under an investment contract. Deposits are not reflected in the Corporation's income statements.
 - b. Premium equivalents refer to amounts related to service contracts or services where the Corporation is primarily an administrator but could become an insurer if a specific event were to happen. These amounts are not accounted for in "Net premiums".
 - *Purpose:* Premiums, premium equivalents and deposits are one of many measures used to assess the Corporation's ability to generate income from in-force and new business.

- Individual Insurance minimum and excess premium sales, Individual Wealth Management gross and net mutual fund sales, Group Insurance Employee Plans sales, US Operations Individual Insurance sales, Group Insurance Special Markets sales, Group Insurance Dealer Services P&C sales, Group Savings and Retirement sales of accumulation contracts and insured annuities, US Operations Dealer Services sales and General Insurance sales:
 - *Category under Regulation 52-112:* Supplementary financial measures.
 - *Definition:*
 - a. Individual Insurance minimum and excess premium sales are defined as first-year annualized premiums. The net premiums presented in the Consolidated Financial Statements include fund entries on both in-force contracts and new business written during the period and are reduced by premiums ceded to reinsurers.
 - b. Individual Wealth Management gross mutual fund sales are defined as deposits and include primary market sales of ETFs.
 - c. Individual Wealth Management net mutual fund sales correspond to net fund entries and are defined as Individual Wealth Management gross mutual fund sales less withdrawals and transfers.
 - d. Group Insurance Employee Plans sales are defined as first-year annualized premiums, including premium equivalents (Administrative Services Only).
 - e. US Operations Individual Insurance sales are defined as first-year annualized premiums.
 - f. Group Insurance Special Markets sales are defined as fund entries on both in-force contracts and new business written during the period.
 - g. Group Insurance Dealer Services P&C sales are defined as direct written premiums (before reinsurance).
 - h. Group Savings and Retirement sales of accumulation contracts and insured annuities include gross premiums (before reinsurance) and premium equivalents, or deposits.
 - i. US Operations Dealer Services sales are defined as direct written premiums (before reinsurance) and premium equivalents.
 - j. General Insurance sales are defined as direct written premiums.
 - *Purpose:* Used to assess the Corporation’s ability to generate new business and serve as additional tools to help investors better assess the Corporation’s growth potential.
 - *Reconciliation:* There is no directly comparable IFRS financial measure disclosed in the financial statements of the Corporation to which the measure relates.
- Group Insurance Dealer Services creditor insurance sales:
 - *Category under Regulation 52-112:* Non-IFRS financial measures that constitute historical information.
 - *Definition:* Premiums before reinsurance and cancellations.
 - *Purpose:* Used to assess the Corporation’s ability to generate new business and serve as an additional tool to help investors better assess the Corporation’s growth potential in the Dealer Services division of the Group Insurance sector.
 - *Reconciliation:* There is no directly comparable IFRS financial measure disclosed in the financial statements of the Corporation to which the measure relates.

Forward-Looking Statements

- This Annual Information Form may contain statements relating to strategies used by iA Financial Group or statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “may”, “will”, “could”, “should”, “would”, “suspect”, “expect”, “anticipate”, “intend”, “plan”, “believe”, “estimate”, and “continue” (or the negative thereof), as well as words such as “objective”, “goal”, “guidance”, “outlook” and “forecast”, or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this document, forward-looking statements include, but are not limited to, information concerning possible or assumed future operating results. These statements are not historical facts; they represent only expectations, estimates and

projections regarding future events and are subject to change, particularly in light of the ongoing and evolving COVID-19 pandemic, its effect on the global economy and its uncertain impact on our operations.

- Although iA Financial Group believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. In addition, certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements.
 - Material factors and risks that could cause actual results to differ materially from expectations include, but are not limited to: insurance, market, credit, liquidity, strategic and operational risks, such as: general business and economic conditions; level of competition and consolidation; changes in laws and regulations, including tax laws and changes made to capital and liquidity guidelines; risks associated with the political and social environment; risks related to climate change including the transition to a low-carbon economy and iA Financial Group's ability to satisfy stakeholder expectations on environmental and social issues; data and cyber risks; risks related to human resources; hedging strategy risks; liquidity of iA Financial Group, including the availability of financing to meet existing financial commitments on their expected maturity dates when required; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; the occurrence of natural or man-made disasters, international conflicts, pandemic diseases (such as the current COVID-19 pandemic) and acts of terrorism.
 - Material factors and assumptions used in the preparation of financial outlooks include, but are not limited to: accuracy of accounting policies and best estimate actuarial and economic assumptions used by the Corporation such as mortality, morbidity, longevity and policyholder behaviour; different business growth rates per business unit; no unexpected material changes in the economic, competitive, insurance, legal or regulatory environment; risks and conditions; and the Corporation's recent performance and results, as discussed in the *2021 Management's Discussion and Analysis* for the year ended December 31, 2021 .
- *Potential impacts of the COVID-19 pandemic* – Since March 2020, the COVID-19 pandemic has had major, unprecedented implications for both society and the economy. The overall impact of the COVID-19 pandemic is still uncertain and depends on many factors, such as the progression of the virus, the emergence of new variants, the duration of the pandemic, potential treatments and therapies, the availability of vaccines, the effectiveness of government measures to slow the virus's spread and the impact of those measures on the economy. As a result, we cannot accurately predict the total bearing the pandemic will have, but the impact on iA Financial Group's business and financial results could be material. However, despite the short-term negative impacts of the pandemic on its results, iA Financial Group remains financially solid. In addition, iA Financial Group's business continuity protocol has continued, ensuring that the quality of service clients receive is similar to or better than before the pandemic and enabling employees and advisors to continue to work safely and securely.
- Additional information about the material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the "Risk Management" section of the *Management's Discussion and Analysis* for 2021, the "Management of Risks Associated with Financial Instruments" note to the *Audited Consolidated Financial Statements* for the year ended December 31, 2021, and elsewhere in iA Financial Group's filings with the Canadian Securities Administrators, which are available for review at sedar.com.
- The forward-looking statements in this document reflect iA Financial Group's expectations as of the date of this document. iA Financial Group does not undertake to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

Corporate Structure

Name, Address and Incorporation

iA Financial Corporation is a stock company, incorporated on February 20, 2018 under the *Business Corporations Act* (Quebec). Upon its incorporation and until January 1, 2019, the Corporation was a wholly owned subsidiary of iA Insurance and had no commercial activities. On January 1, 2019, a plan of arrangement previously approved by iA Insurance's shareholders and ratified by the Court, was completed and implemented (the "**arrangement**"). Consequently, on January 1, 2019, a certificate of arrangement was issued by the Quebec Enterprise Registrar to iA Financial Corporation and it became the group's parent company holding all the issued and outstanding Common Shares of iA Insurance.

The Common Shares of iA Financial Corporation are listed and traded on the Toronto Stock Exchange (TSX) under the trading symbol "IAG". The publicly issued and outstanding Class A Preferred Shares, Series B, Series G and Series I, of iA Insurance are traded on the TSX under the symbols "IAF.PR.B", "IAF.PR.G" and "IAF.PR.I".

iA Financial Corporation is governed by the *Business Corporations Act* (Quebec) and is not subject to the *Insurers Act* (Quebec). However, iA Financial Corporation maintains the ability to supply capital, if it considers it necessary, to iA Insurance so that the latter meets the adequacy of capital requirements under the *Insurers Act* (Quebec). Pursuant to an undertaking taken in connection with the arrangement, iA Financial Corporation discloses its capital position on a quarterly basis. A copy of the undertaking (to which the AMF is an intervening party) was filed under the SEDAR profiles of both iA Financial Corporation and iA Insurance at sedar.com.

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

Intercorporate Relationships

iA Financial Corporation operates through a group of subsidiaries. Information regarding the main subsidiaries of iA Financial Corporation, including its direct and indirect subsidiaries, can be found in Note 30 "Subsidiaries" to iA Financial Corporation's *Consolidated Financial Statements* on page 73. These companies were incorporated under the rules governing Canadian business corporations or under provincial or state rules applicable in the territory in which their head office is located. For more information on the operations of iA Financial Corporation and its subsidiaries, please refer to the "Analysis by Business Segment" section on pages 13 to 25 of the *Management's Discussion and Analysis*.

General Development of the Business

Three-Year History

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

Despite the COVID-19 pandemic, the Corporation was able to pursue in 2021 its development plan as initially planned, with the deployment of certain initiatives even accelerated because of the pandemic. In fact, the Corporation has demonstrated the robustness of its strategic vision established with a long-term perspective, the resilience of its business model and the soundness of its choices, particularly in terms of technology.

Major Acquisitions, Disposals and Mergers

- On November 2, 2021, the Corporation announced the acquisition of 70% of Surexdirect.com Ltd. and Surexdirect.com (Ontario) Ltd, which are two companies specialized in insurance technology and leading players in digital property and casualty insurance distribution in Canada. The acquisition was effective on November 1, 2021.
- On October 1, 2021, PPI Management Inc., a subsidiary of the Corporation, completed the sale of its subsidiary, PPI Benefits Inc., to AGA Benefit Solutions.
- On July 1, 2021, Investia Financial Services Inc. and FundEX Investments Inc., which are two subsidiaries of the Corporation, amalgamated. The merger was announced publicly on July 5, 2021.
- On June 1, 2020, the Corporation completed the sale of iA Investment Counsel Inc. (“iAIC”) to CWB Financial Group. iAIC is comprised of two private management firms, T.E. Wealth and Leon Frazer & Associates. Founded in 1972 and 1939 respectively, the entities were components of the Corporation's wealth management division.
- On May 22, 2020, the Corporation announced that it had completed the acquisition of U.S.-based IAS Parent Holdings, Inc. and its subsidiaries (collectively “IAS”). Based in Austin, Texas, IAS is one of the largest independent solution providers in the U.S. auto warranty market, with more than 600 employees and over 35 years of history. IAS offers a very broad portfolio of automotive warranties and related services and software sold through one of the largest and most diversified distribution networks in the industry, with more than 4,300 dealerships in all 50 states of the United States.
- On January 10, 2020, the Corporation announced the acquisition of three Canadian companies specializing in vehicle warranties: WGI Service Plan Division Inc. and WGI Manufacturing Inc., two subsidiaries of C. Walker Group Inc. located in Vancouver and Scarborough, as well as Lubrico Warranty Inc., based in London. C. Walker Group is a market leader in the warranty and ancillary products business. Lubrico Warranty sells car warranties in over 4,000 used vehicle dealerships across Canada (except in the province of Quebec).
- On January 1, 2020, iA Insurance merged with its subsidiaries The Excellence Life Insurance Company and Corporation financière L'Excellence ltée. The merger had been announced on September 25, 2019.

For more information about the Corporation's acquisitions and dispositions during the past two years, please read Note 4 “Acquisition and Disposal of Businesses” of iA Financial Corporation's *Consolidated Financial Statements* for the years 2020 and 2021 (page 22 in 2021).

Financial Management Initiatives

- Issuance of subordinated debentures – On February 25, 2022, the Corporation closed its offering of \$300 million aggregate principal amount of 3.187% fixed/floating Subordinated Debentures to mature on February 25, 2032. The debentures were issued as “Sustainability Bonds” under the iA Financial Group Sustainability Bond Framework and represent the Corporation’s inaugural sustainability bonds. The debentures bear interest at a fixed annual rate of 3.187% for the first five years, payable semi-annually, and at an annual rate equal to the 3-month CDOR (*Canadian Dollar Offered Rate*), plus 0.91%, for the last five years, payable quarterly. Subject to prior approval of the AMF, the Corporation may redeem these debentures, in whole or in part, on or after February 25, 2027. The debentures were issued under a prospectus supplement dated February 22, 2022 to the short form base shelf prospectus dated February 25, 2021.
 - Redemption of financial instruments – On February 23, 2022, iA Insurance completed the redemption of all of its outstanding 2.64% Subordinated Debentures due May 23, 2027. These debentures represented a principal amount of \$250 million.
-
- On December 15, 2021, the Corporation increased its dividend per outstanding Common Share. This additional dividend represented an increase in the total quarterly dividend to common shareholders of 29%.
 - Issuance of subordinated debentures – On February 21, 2020, the Corporation closed its offering of \$400 million aggregate principal amount of 2.40% fixed/floating Subordinated Debentures to mature on February 21, 2030. The debentures bear interest at a fixed annual rate of 2.40% for the first five years, payable semi-annually, and at an annual rate of return equal to the 3-month CDOR (*Canadian Dollar Offered Rate*), plus 0.71%, for the last five years, payable quarterly. Subject to the prior approval of the AMF, the Corporation may redeem these debentures, in whole or in part, on or after February 21, 2025. The debentures were issued under a prospectus supplement dated February 18, 2020 to the short form base shelf prospectus dated February 12, 2019.
 - Normal course issuer bid – Effective December 6, 2021, the Corporation established a normal course issuer bid enabling it to redeem, over the next 12 months, up to 5,382,503 Common Shares, representing approximately 5% of its 107,650,077 Common Shares issued and outstanding as at November 23, 2021 (the “**Current Bid**”). Between December 6, 2021 and December 31, 2021, the Corporation purchased and cancelled, under the Current Bid, 112,500 Common Shares. During 2019 and 2020, prior to the Current Bid but also under a normal course issuer bid (each a “**Prior Offer**”), the Corporation respectively purchased and cancelled a total of 2,815,373 and 86,872 Common Shares. During the first quarter of 2020 and until the expiry of a Prior Offer, the Corporation had suspended its purchases of Common Shares in accordance with the instructions of the regulatory authorities issued in connection with the COVID-19 pandemic. Such instructions were waived during the fourth quarter of 2021.
 - Issuance of subordinated debentures – On September 24, 2019, the Corporation closed its offering of \$400 million aggregate principal amount of 3.072% fixed/floating Subordinated Debentures to mature on September 24, 2031. The debentures bear interest at a fixed annual rate of 3.072% for the first seven years, payable semi-annually, and at an annual rate equal to the 3-month CDOR (*Canadian Dollar Offered Rate*), plus 1.31%, for the last five years, payable quarterly. Subject to prior approval of the AMF, the Corporation may redeem these debentures, in whole or in part, on or after September 24, 2026. The debentures were issued under a prospectus supplement dated September 19, 2019 to the short form base shelf prospectus dated February 12, 2019.
 - Redemption of financial instruments – On May 16, 2019, iA Insurance completed the redemption of all of its outstanding 2.80% Subordinated Debentures due May 16, 2024. These debentures represented a principal amount of \$250 million.

Strategic Initiatives

- The Corporation’s current strategic plan is based on four axes:
 - Growth, with the ambition of being a North American financial institution operating in sectors deemed strategically important where the Corporation can be the leader in the mass/mid markets.
 - Client experience, with the aim of effectively meeting client expectations, in partnership with our distributors.
 - Employee experience, by being an employer of choice that offers a rewarding career.
 - Operating efficiency, by optimizing operations through technology, processes and skills development.

- The Corporation is of the view that technology is changing the way in which financial products and services are being sold today. In this regard, the Corporation continues to adapt its practices to make it easier for clients and distributors to do business with it. In 2021, the Corporation continued to develop many digital initiatives in all business lines, which aim in particular to simplify its sales processes and its products.
- The Corporation's ability to generate business growth is largely attributable to the strength and diversification of its distribution networks, the excellent performance of its digital tools, the wide range of products offered as well as its strategic acquisitions. In addition, the Corporation's business mix allows for leveraging of synergies between business units.
- The Corporation will continue to implement sustainable development projects and initiatives as ESG, referring to environmental, social and governance considerations, is another important area of development.

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

	Business Growth ⁽¹⁾			
	2021	2020	2019	Variation (2021-2020)
In millions of dollars, unless otherwise indicated				
Net premiums, premium equivalents and deposits				
Net premiums				
General fund	6,273	5,884	5,229	7%
Segregated funds	6,891	5,312	3,715	30%
Total	13,164	11,196	8,944	18%
Deposits – Mutual funds	3,066	2,502	2,063	23%
Other deposits and premium equivalents ⁽²⁾	393	381	355	3%
Total	16,623	14,079	11,362	18%
Assets under management / under administration				
Assets under management				
General fund	55,082	53,662	45,280	3%
Segregated funds	39,577	32,804	27,868	21%
Mutual funds	13,955	11,393	11,594	22%
Other	2,862	3,797	15,500	(25%)
Subtotal	111,476	101,656	100,242	10%
Assets under administration	109,687	95,830	89,246	14%
Total	221,163	197,486	189,488	12%
Individual Insurance (Canada)				
Sales	286	223	187	28%
Net premiums	1,758	1,625	1,587	8%
Individual Wealth Management				
Sales				
General fund	891	836	546	7%
Segregated funds	4,818	3,080	2,365	56%
Mutual funds	3,066	2,502	2,064	23%
Total	8,775	6,418	4,975	37%
Net investment fund sales				
Segregated funds	3,307	1,764	663	87%
Mutual funds	1,153	243	(408)	374%
Total	4,460	2,007	255	122%

Business Growth⁽¹⁾

	2021	2020	2019	Variation (2021-2020)
Funds under management				
General fund	2,103	2,122	1,808	(1%)
Segregated funds	24,722	19,240	16,392	28%
Mutual funds	13,955	11,393	11,594	22%
Other	-	995	4,509	(100%)
Total	40,780	33,750	34,303	21%
Group Insurance				
Sales				
Employee Plans	135	136	49	(1%)
Dealer Services				
Creditor insurance	244	261	329	(7%)
P&C	331	271	253	22%
Car loans	534	440	438	21%
Special Markets	215	205	274	5%
Total	1,459	1,313	1,343	11%
Premiums and premium equivalents	1,883	1,744	1,788	8%
Group Savings and Retirement				
Sales				
Accumulation contracts	2,167	2,338	1,401	(7%)
Insured annuities	604	707	627	(15%)
Deposits	27	38	46	(29%)
Total	2,798	3,083	2,074	(9%)
Funds under management				
Accumulation contracts	15,505	14,227	12,574	9%
Insured annuities	5,098	4,758	3,929	7%
Total	20,603	18,985	16,503	9%
US Operations				
Sales (\$CAN)				
Individual Insurance	169	170	132	(1%)
Dealer Services	1,339	964	596	39%

- (1) The Corporation measures business growth by using measures that are non-IFRS and other financial measures, such as “premiums” (general fund and segregated funds), “deposits” (mutual funds), “premium equivalents”, “assets” (under management and under administration) and “sales”. Assets under administration, premiums, deposits and premium equivalents are supplementary financial measures. Sales, net sales and assets under management are Non-IFRS financial measures that are historical information. Such measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements and might not be comparable to similar financial measures disclosed by other issuers. Sales are defined as fund entries on new business written during the period and they measure the Corporation’s ability to generate new business and defined as follows for each activity sector: Individual Insurance: first-year annualized premiums; Individual Wealth Management: net premiums for the general fund and segregated funds and deposits for mutual funds; Group Insurance – Employee Plans: first-year annualized premiums, including premium equivalents (Administrative Services Only) contracts; Group Insurance – Dealer Services: premiums before reinsurance and cancellations for creditor insurance and direct written premiums (before reinsurance) for P&C Insurance; Group Insurance – Special Markets: premiums before reinsurance; Group Savings and Retirement: gross premiums (before reinsurance) and premium equivalents, or deposits. Assets under administration (AUA) are defined as all assets with respect to which the Corporation acts only as an intermediary between a client and an external fund manager and assets under management (AUM) are defined as all assets with respect to which the Corporation establishes a contract with a client and makes investment decisions for amounts deposited in this contract. For relevant information about these measures see the “Non-IFRS and Additional Financial Measures” section in this document for relevant information about such measures.
- (2) Amounts paid in connection with investment contracts and administrative services contracts.

Expected Developments

In 2022, the Corporation expects to continue diversifying its distribution networks, its geographic presence and the market segments in which it operates. The Corporation will seek to leverage development synergies between the companies of the group to maximize sales, among other things. Note that the Corporation will also remain alert to business opportunities, including potential strategic acquisitions.

Description of the Business

General Description

The Corporation and its subsidiaries operate within five main business lines: Individual Insurance and Individual Wealth Management, which address the needs of retail customers; Group Insurance and Group Savings and Retirement, which address the needs of businesses and group clients; and US Operations, comprising Individual Insurance and Dealer Services operations in the United States.

In terms of profitability, in 2021, the Corporation ended the year with net income attributable to common shareholders of \$830 million.

In terms of business growth, 11% of the Corporation's premiums, premium equivalents and deposits in 2021 came from Canadian Individual Insurance, 53% from Individual Wealth Management, 11% from Group Insurance, 17% from Group Savings and Retirement, 2% from general insurance operations and 6% from US Operations.

By region, 3% of premiums, premium equivalents and deposits in 2021 came from the Atlantic Provinces, 41% from Quebec, 26% from Ontario, 24% from the Western provinces and 6% from the United States.

For a more detailed description of the Corporation and its subsidiaries and business lines, refer to the *2021 Management's Discussion and Analysis*, including the description of the Corporation beginning on page 1 and the various relevant sections on pages 13 to 25, which present each of the business lines.

Specialized Skills and Knowledge

To sustain the development of the group, the Corporation requires employees with a range of skills, including in information technology, sales, actuarial sciences, accounting, investing, law and communications. As the Corporation continues to focus on growth, the shortage of qualified resources is a challenge and a reality for many employers. As a result, the Corporation is constantly striving to improve internal efficiencies, foster strong employee retention through development and retraining, and attract new employees through its recruitment programs, both inside and outside Canada. In addition to being beneficial for the overall employee experience, the flexible and hybrid work environment offered by the Corporation is an opportunity to broaden the recruitment pool as talent can be more widely acquired from locations separated from physical sites.

Trends

Competitive Environment

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

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

- the continued development of digital technologies among institutions; and
- preparatory work to integrate accounting standard IFRS 17 and IFRS 9.

In Canada, even though the insurance market is made up of several insurance companies, the ten largest control close to 94% of the individual insurance market, approximately 92% of the group insurance market (employee plans) and about 99% of the group savings and retirement market. iA Insurance is among the ten largest insurers in all these operating sectors.

In the individual wealth management market, iA Insurance's competitors include life and health insurance companies, banks, mutual fund management companies, securities brokers and other providers. The Corporation's recent results for the individual wealth management sector are positive. The Corporation has ranked first in Canada for net sales of segregated funds since 2016. In 2021, it once again strengthened its leading position in this area by adjusting and adding new segregated funds to its offering, some of which are socially responsible investment (SRI) funds, to better address current market trends. In addition, the Corporation has benefited from the consolidation of its mutual fund offerings within a select group of high-performing sub-advisory asset managers.

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

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

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

- In the Individual Insurance and Individual Wealth Management sectors, it competes head-on with all industry players in all markets and geographic regions in Canada. Its key competitive advantages are the ability to build strong distribution networks for its products and services, its broad and evolving range of products and its high-performing digital tools;
- In Group Insurance Employee Plans, Group Savings and Retirement and through iA Auto and Home Insurance, the Corporation competes selectively by market and region where it can leverage corporate relationships and synergies;
- In Group Insurance Dealer Services and Special Markets, it operates in niche markets where it has fewer competitors and it holds a leading market position;
- Finally, the Corporation favours underserved markets where there are a limited number of players.

For information about the key long-term profitability drivers for each of the Corporation's business lines, refer to the *2021 Management's Discussion and Analysis*.

Recent Developments in the Economic and Financial Environment

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

While the COVID-19 pandemic that has persisted into 2021 along with new variants led to heightened inflation and a great deal of volatility in the financial markets, new highs were reached at the end of the year. The Corporation's strong financial position as at December 31, 2021 and its risk management program are mitigating the impacts of the pandemic in order to continue to ensure the financial wellbeing of its clients.

Despite the lasting pandemic, the macroeconomic environment was generally favourable in 2021. In terms of stock market performance, strong growth was achieved, with a 22% return for the S&P/TSX Index in Canada, 27% for the S&P 500 Index in Canadian dollars and 22% for the world index MSCI World.

For more information regarding the impact of economic and financial developments in 2021 on the Corporation's profitability, refer to the "Profitability" section on pages 26 to 31 of the *2021 Management's Discussion and Analysis*. For more information about the risk of a stock market downturn and the risk mitigating measures implemented by the Corporation in 2021, refer to the "Risk Management" section of the *2021 Management's Discussion and Analysis*, on pages 45 to 55.

Governing Legislation

iA Financial Corporation is governed by the *Business Corporations Act* (Quebec) and is not subject to the *Insurers Act* (Quebec). However, iA Financial Corporation maintains the ability to supply capital, if it considers it necessary, to iA Insurance so that the latter meets the adequacy of capital requirements under the *Insurers Act* (Quebec). Pursuant to an undertaking taken in connection with the arrangement, iA Financial Corporation discloses its capital position on a quarterly basis. A copy of the undertaking (to which the AMF is an intervening party) was filed under the SEDAR profiles of both iA Financial Corporation and iA Insurance at sedar.com.

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

iA Financial Corporation and iA Insurance are reporting issuers under the different securities laws in force in the provinces of Canada. In connection with the arrangement on January 1, 2019, iA Financial Corporation issued Common Shares. In 2019 and in 2020, the Corporation also issued debentures. iA Insurance issued, before January 1, 2019, Common Shares, Preferred Shares and debentures. As previously mentioned, since January 1, 2019, all Common Shares of iA Insurance are held by iA Financial Corporation, the parent company of the group. However, iA Insurance Preferred Shares and debentures issued and outstanding as at January 1, 2019 remained issued by iA Insurance and were guaranteed by iA Financial Corporation pursuant to the terms of the arrangement.

In the first quarter of 2022, iA Financial Corporation also issued debentures. These debentures were issued as “Sustainability Bonds” under the iA Financial Group Sustainability Bond Framework and represent Corporation’s inaugural sustainability bonds.

The *Act respecting Industrial-Alliance Life Insurance Company* (Quebec) (the “**1999 Private Bill**”), as amended by the *Act to amend the Act respecting Industrial-Alliance Life Insurance Company* (Quebec) (the “**2018 Private Bill**”, collectively with the 1999 Private Bill, the “**Private Bill**”), prohibits any person and his/her affiliates from acquiring, either directly or indirectly, voting shares of iA Financial Corporation if the acquisition results in the person and his/her affiliates holding 10% or more of the voting rights attached to the shares. As such, the Private Bill further provides that in the event that an acquisition is made in contravention of the foregoing, an individual on behalf of whom the shares are acquired cannot exercise the voting rights attached to the aggregate of his/her shares for as long as they are in contravention of this provision. In addition, under the Private Bill, iA Financial Corporation must directly or indirectly hold 100% of the Common Shares of iA Insurance.

Canadian insurance subsidiaries, including iA Insurance, operate under the authority of the AMF pursuant to powers delegated by the *Insurers Act* (Quebec). The business of iA Insurance outside the province of Quebec is subject to the requirements of local regulatory authorities.

Overall, the companies of the group are licensed by the appropriate federal, provincial and state authorities to carry on business in all provinces and territories of Canada and in the 50 U.S. states, the District of Columbia and seven territories of the United States and the United Kingdom. They are also subject to the regulation and supervision of the provinces and territories of Canada, the states and territories of the United States and the territories of the United Kingdom in which they carry on business. Such regulation and supervision relate, among other things, to: the licensing of insurers and their agents; the nature of, limitations on and valuation of investments; solvency standards; annual audit of the activities of insurance companies; annual reports and other documents pertaining to the financial condition of insurers that must be filed; and requirements regarding reserves for actuarial liabilities, unearned premiums and losses.

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

With respect to the Corporation’s financial management, a revised version of the AMF’s Guideline on Capital Adequacy Requirements - Life and Health Insurance (CARLI) (the “**Guideline**”) came into effect on January 1, 2021. Among other things, the changes to the Guideline alter the treatment of capital of property and casualty insurance subsidiaries owned by life and health insurers. As a result, the Corporation’s total solvency ratio remains unchanged, its core ratio will gradually

decrease by a few percentage points over a five-quarter period and there is an immediate downward impact on deployable capital. The impact of these regulatory changes will be mitigated by organic capital generation. In all cases, the Corporation's ratios remain above regulatory requirements and the changes have no impact on the Corporation's ability to generate earnings.

The *Insurers Act* (Quebec) also provides for certain restrictions with respect to the dividends paid to shareholders and operations on equity. Hence, no insurer may declare dividends or pay interest, as the case may be, or distribute annual surpluses if a payment made for one or the other has the effect of rendering its liquid assets or capital insufficient to ensure sound and prudent management. When deemed appropriate, the AMF may give written instructions to an insurer concerning the adequacy of its liquid assets. This also applies to dividends declared, from time to time, by iA Insurance in favour of its parent company iA Financial Corporation.

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

Intellectual Property and Product Development

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

Cyclical Business

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

Employees

As at December 31, 2021, the Corporation and its subsidiaries had 8,300 employees, including temporary positions.

Commitment to Sustainable Development

Sustainable development is an essential component of the Corporation's business strategy in order to actively contribute to the wellbeing of our clients, employees, partners, investors and communities.

The Corporation's *Sustainable Development Policy* was adopted by the Board of Directors to guide the implementation of this strategy. It clearly defines the eight guidelines that frame the Corporation's thinking, strategy and achievements in the area of sustainable development. These guidelines are as follows:

- Ensure the financial wellbeing of our clients;
- Manage risks effectively;
- Follow high standards of governance;

- Actively contribute to our communities;
- Manage environmental impact;
- Create a rewarding work environment and focused on diversity and inclusion;
- Practice responsible sourcing;
- Integrate ESG factors into investment processes.

The Policy also specifies the objectives and best practices of sustainable development, taking into account the business and context of iA Financial Group.

The Risk Management, Governance and Ethics Committee is responsible for reviewing the sustainability strategy and monitoring the indicators, targets and frameworks implemented by the Corporation.

iA Financial Group takes into account environmental, social and governance (ESG) factors in its sustainable development actions.

In 2021, the Corporation focused on further integrating ESG factors and rolling out several new sustainable finance initiatives. In particular, we committed to supporting external asset managers in their process of integrating these factors. We also adopted and published a responsible investment policy and a proxy voting guideline.

In addition, we set up a climate change task force to implement the Towards a Carbon-Free Future project.

Along with this work, the Corporation continued its efforts to support its stakeholders. Over \$7.5 million was donated to different Canadian charitable organizations, our diversity and inclusion program is being rolled out and the large majority of our employees have received training on inclusion.

Lastly, 2021 was marked by the integration of the recommendations from the Task Force on Climate-related Financial Disclosures.

Managing the Impacts of the COVID-19 Pandemic on Stakeholders

Since the beginning of the pandemic, iA Financial Group has contributed tirelessly and in every possible way to the immense social efforts to mitigate the pandemic's effects by implementing numerous measures for its employees, clients and communities.

The Corporation played an active role in the vaccination campaign by setting up in Quebec City, the Capitale-Nationale Region Enterprise Vaccination Hub, in cooperation with other companies in the region.

This vaccination hub was open to the population of the Capitale-Nationale region, including some 15,000 employees of the participating companies and the members of their immediate family (18 and older), while respecting the order of priority set by the Quebec government. The Capitale-Nationale Region Enterprise Vaccination Hub ran from May to September 2021 and enabled thousands of people to get vaccinated.

We also got actively involved in fighting the unprecedented effects of the pandemic on our communities. We increased our donations in the areas of health, education and community services, specifically targeting organizations with urgent needs due to the pandemic. Two years into the pandemic, we continue to actively support charities Canada-wide that are in critical need.

In December 2021, iA Financial Group donated half a million dollars to Food Banks Canada, a national charitable organization dedicated to helping Canadians living with food insecurity. This is in addition to the \$300,000 already donated throughout the year to food banks across the country.

We also ran a mental health offensive, donating over \$600,000 to support organizations across Canada working on the ground in the area of mental health, and provided financial support to shelters and domestic violence organizations.

Lastly, we honoured all our fundraising activity donation commitments, even for activities that had to be cancelled in 2021.

Commitment to Reducing its GHG Emissions

The Corporation is committed to reducing its greenhouse gas ("GHG") emissions by 20% per employee by 2025. This is an ambitious commitment that reflects the importance the Corporation places on reducing its environmental footprint and contributing to this huge global effort to make the world a better place for future generations.

Note that in December 2019, the Corporation had announced its commitment to offsetting its GHG emissions through the purchase of carbon credits and to become a carbon neutral Corporation as of 2020, which is now done.

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

The offsetting announced in 2019 began in 2020. In its 2020 and 2021 *Sustainability Reports*, the Corporation released its GHG emissions data and its GHG emission reduction objectives.

Participating in the United Nations Sustainable Development Goals

In 2015, the Member States of the United Nations adopted 17 Sustainable Development Goals ("SDGs") to protect the planet and ensure prosperity for all by 2030.

The Corporation adheres to these United Nations goals and has determined five of these SDGs that are aligned with its purpose and mission and to which it can make a significant contribution.

These five SDGs are:

- Good health and wellbeing – seeks to give individuals the means to live healthy lives and promote wellbeing for all at all ages;
- Decent work and economic growth – seeks to promote inclusive and sustainable economic growth, employment and decent work for all;
- Reduce inequalities within and among countries – seeks to reduce inequality within and among countries;
- Sustainable cities and communities – seeks to make cities inclusive, safe, resilient and sustainable;
- Climate Action – seeks urgent action to combat climate change and its impacts.

Signatory of the United Nations Principles for Responsible Investment (PRI)

As signatory of the United Nations Principles for Responsible Investment (PRI), the Corporation is committed to:

- Integrating ESG factors into its investment processes;
- Being an active player by exercising voting rights in line with its ESG values;
- Encouraging companies in which the Corporation invests to increase disclosure of their ESG initiatives and to operate responsibly;
- Promoting the adoption of the Principles;
- Cooperating with industry members to improve ESG practices;
- Reporting on its ESG activities and progress to the PRI.

Sustainability Report

- For all of the Corporation's initiatives and achievements, refer to the *Sustainability Report*, available on our website at ia.ca.

Risk Factors

For information on risk factors for iA Financial Corporation and its operations, refer to the "Risk Management" section on pages 45 to 55 of the *Management's Discussion and Analysis*, and to the *Consolidated Financial Statements'* Note 7 on Management of Risks Associated with Financial Instruments, on pages 34 to 42, Note 13 on Management of Insurance Risk, on page 49, and Note 14 on Insurance Contract Liabilities and Investment Contract Liabilities, on pages 49 to 56.

Reorganizations

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

Capital Structure

General Description

The authorized capital of iA Financial Corporation consists of:

1. an unlimited number of Common Shares without par value;
2. Class A Preferred Shares, without par value, issuable in series. The number that may be issued is limited to not more than one-half of the number of Common Shares issued and outstanding at the time of the proposed issue of such Class A Preferred Shares.

As at December 31, 2021, 107,557,577 Common Shares were issued and outstanding.

Common Shares

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

Class A Preferred Shares

The Class A Preferred Shares may be issued in one or more series with such rights and restrictions as the Board of Directors may determine. No rights, privileges or restrictions attached to a series of Class A Preferred Shares confer on the series any priority in respect of the payment of dividends or the return of capital over any other series of Class A Preferred Shares. With respect to priority in the payment of dividends and in the distribution of the assets in the event of the liquidation or dissolution of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the specific purpose of winding up the Corporation's affairs, the Class A Preferred Shares are entitled to a preference over the Common Shares and any other shares ranking junior to the Class A Preferred Shares.

Normal Course Issuer Bid Program

On December 6, 2021, the Corporation established a normal course issuer bid which will terminate no later than December 5, 2022, subject to a new bid being established. This program allows the Corporation to acquire, in the aforementioned period, a maximum of 5,382,503 Common Shares, representing approximately 5% of the issued and outstanding Common Shares as at November 23, 2021. The purchases will be made at market price at the time of purchase through the facilities of the Toronto Stock Exchange or an alternative Canadian trading system, in accordance with market rules and policies. The Corporation considers that the purchase of its Common Shares represents an appropriate use of its funds and is in the best interests of the Corporation and its Shareholders. Between December 6, 2021 and December 31, 2021, the Corporation purchased and cancelled, under the current normal course issuer bid, 112,500 Common Shares.

Shareholders may obtain, without charge, copies of the notice of intent related to the Corporation's 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.

Constraints

Constraints on Voting Shares Under the Private Bill

The 1999 Private Bill, as amended by the 2018 Private Bill, prohibits any person and his/her affiliates from acquiring, either directly or indirectly, voting shares of iA Financial Corporation if the acquisition results in the person and his/her affiliates holding 10% or more of the voting rights attached to the shares. As such, the Private Bill further provides that in the event that an acquisition is made in contravention of the foregoing, an individual on behalf of whom the shares are acquired cannot exercise the voting rights attached to the aggregate of his/her shares for as long as they are in contravention of this provision. In addition, under the Private Bill, iA Financial Corporation must directly or indirectly hold 100% of the Common Shares of iA Insurance.

For information on the debentures and the share capital, refer to the *Management's Discussion and Analysis*, "Financial Position" section on pages 32 to 37, and to pages 56 to 57 of iA Financial Corporation's *Consolidated Financial Statements* (notes 16 and 17).

Credit Ratings

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

The following table lists the ratings attributed to the Corporation and to iA Insurance as at December 31, 2021. S&P Global Ratings and A.M. Best ratings were all affirmed in 2021 with a stable outlook. For its part, DBRS Morningstar reviewed and upgraded its ratings for the Corporation and iA Insurance with a stable outlook.

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

Payments are made by the Corporation to these rating agencies in connection with regular rating work and also when ratings are requested by the Corporation for the issue of certain financial instruments.

S&P Global Ratings (“S&P”)

The Financial Strength Rating reflects S&P’s opinion on an insurer’s capacity to meet its financial commitments to its policyholders in accordance with the terms of the contracts. The AA- rating assigned to iA Insurance indicates that it has strong financial security characteristics. The AA- rating corresponds to the fourth highest rating of a total of twenty-two (22) rankings divided into ten categories.

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

The Issuer Credit Rating reflects S&P’s opinion on the overall creditworthiness of an issuer. The A rating of iA Financial Corporation assigned by S&P is two notches lower than the rating of iA Insurance. It reflects the structural subordination of the holding company to its regulated insurance subsidiary; the strength of cash flows from that subsidiary; and the policies, procedures and oversight of the Canadian regulatory framework. The A rating assigned to iA Financial Corporation is the sixth highest rating. The AA- rating assigned to iA Insurance indicates that the Corporation has a strong capacity to meet its financial commitments. The AA- rating is the fourth highest rating of a total of twenty-two (22) rankings divided into ten categories. S&P Issuer Credit Rating categories range from AAA to CC. S&P adds a plus (+) or minus (-) sign to its categories between AA and CCC to show the relative standing of the securities within a major rating category.

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

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

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

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

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

DBRS Limited (“DBRS Morningstar”)

On March 9, 2021, DBRS Morningstar raised the issuer credit and the subordinated debentures ratings of iA Financial Corporation and raised the issuer credit, the financial strength, the subordinated debentures and the non-cumulative preferred shares ratings of iA Insurance. The rating upgrades reflect the efforts made by the Corporation in the past few years to improve its risk profile, in particular its sensitivity to market-related risks, and its shift towards less capital-intensive products. DBRS Morningstar also removed the ratings from Under Review with Positive Implications, where they were placed in December 2020, now assigning a stable outlook.

The Financial Strength Rating represents an opinion by DBRS Morningstar as to an insurance company’s capacity to meet its financial obligations with respect to its issued insurance policies. This rating is based on an evaluation of the various building

blocks of the insurer, including franchise strength, risk profile, earnings ability, liquidity, capitalization and asset quality. DBRS Morningstar has assigned iA Insurance a financial strength rating of AA (low) with a stable outlook.

This rating corresponds to the fourth highest rating of a total of twenty-two (22) rankings from AAA to R. For categories from AA to CCC, DBRS Morningstar may add a “high” or “low” designation to indicate the relative position within a rating category, whereas the absence of such a designation indicates the rating is in the middle of the category. Insurers that are rated AA are considered to have an excellent capacity for the payment of policyholder and contract obligations. Such insurers are unlikely to be significantly vulnerable to adverse business and economic conditions.

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

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

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

Furthermore, DBRS Morningstar has assigned an A (low) rating to the iA Financial Corporation subordinated debentures and has assigned an A (high) rating to the iA Insurance subordinated debentures, which is the fifth highest rating on a scale of twenty-six (26) rankings divided into ten categories. The DBRS Morningstar rating categories for this type of security vary from AAA to D. For categories other than AAA and D, DBRS Morningstar may add a “high” or “low” designation to indicate the relative position within a rating category, whereas the absence of such a designation indicates the rating is in the middle of the category. The A (high) rating assigned to iA Insurance means that its subordinated debentures have a “satisfactory” credit quality, which is higher than the “adequate” quality of BBB category securities, but lower than the “superior” quality of AA category securities. Protection of interest and capital is still substantial, but the degree of strength is less than with AA-rated entities. While an A rating is respectable, entities in this category are considered to be more susceptible to an unfavourable economic environment and have more pronounced cyclical tendencies than higher rated companies.

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

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

A.M. Best

The Financial Strength Rating represents an opinion by A.M. Best as to an insurance company’s capacity to meet its obligations to its policyholders, who are senior ranking creditors. A rating of B+ and higher is granted to insurers who are part of the “secure” group, whereas a rating of B or lower is assigned to “vulnerable” insurance companies. As at December 31, 2021, the A+ (Superior) rating was assigned to iA Insurance for its financial strength, which means that, in the opinion of A.M. Best, iA Insurance has a robust balance sheet, a solid operating performance and a stable trend in its operating results. Insurers that are rated A+ (Superior) have a superior capacity to meet their commitments to their policyholders. This is the second highest rating out of a total of sixteen (16) rankings. The A.M. Best ratings range from A++ to S.

The A.M. Best Issuer Credit Rating is based on the issuer’s capacity to meet its commitments to its creditors. Ratings of bbb and higher are assigned to issuers of a group designated as Investment Grade, while bb or lower ratings are assigned to Non-Investment Grade issuers. The aa- rating assigned to iA Insurance is the fourth highest of a total of twenty-four (24) rankings

and indicates that the issuer has a “very strong” capacity to meet its commitments. The A.M. Best scale contains rankings that range from aaa to s. A positive (+) or negative (-) sign indicates that the credit quality is closer to the top or bottom of the category.

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

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

Dividends

The declaration and payment of dividends is the responsibility of the Board of Directors and depends on the financial results of the Corporation, as well as its financial position and other factors that the Board of Directors deems relevant. According to the Corporation's dividend policy, the dividend payout rate to common shareholders is between 25% and 35% of sustainable recurring profits. Note that at the end of 2021, the Corporation announced that its dividend payout ratio target range would be set to 25% to 35% of core earnings. This target was previously based on reported earnings. Dividends are declared quarterly at meetings of the Board of Directors held in February, May, August and November. Dividends are paid quarterly in accordance with the applicable legislative provisions.

The Corporation is a holding company that operates through subsidiaries and its ability to pay dividends to its shareholders depends primarily on the funds it receives from its subsidiaries. The subsidiaries are subject to certain corporate or regulatory restrictions that may limit their ability to pay dividends or make other distributions in favour of the Corporation. Additional information on these restrictions is presented in this Annual Information Form, in the "Governing Legislation" section.

iA Financial Corporation's Common Shares

The Corporation paid a dividend of \$0.485 per Common Share in the first three quarters of 2021 and a dividend of \$0.625 per Common Share in the fourth quarter of 2021, for a total annual dividend of \$2.08 per Common Share. The Corporation therefore paid out a total of \$223.6 million in dividends to common shareholders in 2021 (\$207.7 million in 2020 and \$188.4 million in 2019).

Note that at the end of the first quarter of 2020, regulators had given instructions not to increase dividends to common shareholders due to the pandemic. As such, the dividend to common shareholders was not increased from the second quarter of 2020 to the third quarter of 2021. On November 19, 2021, following the lifting of regulatory restrictions, the Corporation increased the dividend paid for the fourth quarter of 2021 by 29%. The quarterly dividend announced for the disclosure of the fourth quarter 2021 results is \$0.6250 per Common Share, and was paid in the first quarter of 2022.

On November 7, 2012, iA Insurance established a Dividend Reinvestment and Share Purchase Plan for its common shareholders. This program was transferred to iA Financial Corporation at the time the arrangement took effect on January 1, 2019. The plan allows participants to have their dividend payments automatically reinvested in Common Shares of the Corporation, as well as to make cash purchases of additional Common Shares from the Corporation. This plan provides that the Common Shares required for the Dividend Reinvestment will be, at the option of the Corporation, either treasury issuance Common Shares or Common Shares purchased on the Canadian open market. In 2020 and 2021, the Corporation has acquired the Common Shares on the Canadian open market under the plan.

iA Insurance's Common and Preferred Shares

iA Insurance paid dividends to the Corporation, its sole common shareholder, for a total of \$250 million in 2021, \$1.181 billion in 2020 and \$651 million in 2019.

On February 28, 2018, iA Insurance issued 6,000,000 Class A Preferred Shares Series I for a total value of \$150 million. These Preferred Shares entitle the holders, when declared by the Board of Directors of iA Insurance, to a fixed non-cumulative quarterly dividend of \$0.30 per Preferred Share. iA Insurance paid \$7.2 million in dividends to holders of Class A Preferred Shares Series I in 2021 (\$7.2 million in 2020 and in 2019).

On June 1, 2012, iA Insurance issued 6,000,000 Class A Preferred Shares Series G for a total value of \$150 million. On June 28, 2012, iA Insurance closed the issuance of 4,000,000 Class A Preferred Shares Series G for a total value of \$100 million. These Preferred Shares entitle the holders, when declared by the Board of Directors of iA Insurance, to a non-cumulative quarterly dividend adjusted every five years. The initial dividend annual rate was \$1.0750 per Preferred Share. On June 30, 2017, the annual rate was revised to \$0.94425 per Preferred Share. iA Insurance paid \$9.4 million in dividends to holders of Class A Preferred Shares Series G in 2021 (\$9.4 million in 2020 and in 2019).

On February 24, 2006, iA Insurance issued 5,000,000 Class A Preferred Shares Series B worth a total of \$125 million. These Preferred Shares entitle the holders, when declared by the Board of Directors of iA Insurance, to a fixed non-cumulative quarterly dividend of \$0.2875 per Preferred Share. iA Insurance paid \$5.8 million in dividends to holders of Class A Preferred Shares Series B in 2021 (\$5.8 million in 2020 and in 2019).

Market for Securities of iA Financial Corporation

Trading Price and Volume

The Corporation's Common Shares have been traded on the Toronto Stock Exchange since January 4, 2019 under the symbol IAG.

The following table shows the monthly minimum and maximum price and total monthly volume of iA Financial Corporation Common Shares traded on the Toronto Stock Exchange in 2021. iA Financial Corporation Common Shares closed at a price of \$72.38 for 2021 compared to \$55.18 at the end of 2020.

IAG (Common Shares) Transactions on the Toronto Stock Exchange in 2021

	Maximum Price	Minimum Price	Volume	Value
	\$	\$	#	\$
January 2021	60.33	53.95	4,266,222	245,924,461
February 2021	67.49	56.62	7,282,571	463,116,178
March 2021	70.36	63.17	6,326,571	426,093,090
April 2021	71.36	67.10	4,946,878	343,597,935
May 2021	72.31	68.25	6,301,807	443,115,687
June 2021	70.82	66.71	5,384,308	371,225,339
July 2021	69.33	63.97	3,439,128	229,938,408
August 2021	75.30	68.06	3,906,337	282,060,302
September 2021	72.75	68.83	3,362,828	239,050,369
October 2021	75.79	71.01	2,340,569	171,599,337
November 2021	76.87	67.06	3,695,316	269,585,879
December 2021	72.82	68.20	3,459,692	244,538,090
Year 2021	76.87	53.95	54,712,227	3,729,845,075

Directors and Executive Officers

Name, Occupation and Security Holdings

As of the date of this Annual Information Form, the directors and executive officers of the Corporation (as listed in the following tables) beneficially owned (or had control or direction over), as a group, directly or indirectly, 150,318 Common Shares of iA Financial Corporation (excluding deferred share units and performance share units), being approximately 0.14% of the issued and outstanding Common Shares.

In addition, no director or executive officer of the Corporation beneficially owned (or had control or direction over) any voting shares in any subsidiary of the Corporation not wholly-owned by the Corporation.

The following table presents, as of the date of the Annual Information Form, the members of the Board of Directors of iA Financial Corporation. All directors will hold office until the close of the next annual meeting of shareholders.

Additional Information on the Directors and Officers

Directors of iA Financial Corporation

Name and place of residence	Duties over the last five years	Director since	Membership on committees of the Board
MARIO ALBERT BA, MA Residence: Quebec City, Quebec, Canada	Since 2020: Corporate director 2017 – 2020: Executive Vice President and responsible for the modernization program in the group insurance sector at La Capitale Civil Service Insurer Inc. 2015 – 2017: General Manager at Finance Montreal	November 2020	— Audit Committee — Investment Committee
WILLIAM F. CHINERY B.Math. (Hon), FCIA, FSA, ICD.D Residence: Toronto, Ontario, Canada	For more than five years: Corporate director	May 2021	— Investment Committee
BENOIT DAIGNAULT BBA, CFA Residence: Hudson, Quebec, Canada	Since 2019: Corporate director 2014 – 2019: President and Chief Executive Officer at Export Development Canada	May 2019	— Investment Committee — Human Resources and Compensation Committee

Name and place of residence	Duties over the last five years	Director since	Membership on committees of the Board
NICOLAS DARVEAU--GARNEAU B.Math., MBA Residence: Los Gatos, California, United States	Since 2022: Chief Growth and Strategy Officer of Coveo Solutions Inc. (a leading applied artificial intelligence software company providing digital solutions for companies) 2017 – 2022: Chief Strategist at Google Search 2016 – 2017: Director, Sales and Strategy Research, United States	May 2018	— Human Resources and Compensation Committee
EMMA K. GRIFFIN BA (Oxon), MA (Oxon) Residence: Henley on Thames, Oxfordshire, United Kingdom	For more than five years: Corporate director	November 2016	— Investment Committee (Chair) — Risk Management, Governance and Ethics Committee
GINETTE MAILLÉ BBA, CPA, CA, ICD.D Residence: Montreal, Quebec, Canada	Since 2017: Vice President, Finance and Administration and Chief Financial Officer at Aéroports de Montréal (not-for-profit corporation responsible for the management, operation and development of Montreal's Pierre Elliott Trudeau International Airport and Montreal-Mirabel International Airport) 2011 – 2017: Senior Vice President and Chief Financial Officer at Yellow Pages Limited	July 2019	— Audit Committee
JACQUES MARTIN B.Com., LL.B., MBA, IDP-C Residence: Larchmont, New York, United States	For more than five years: Corporate director	January 2011	— Chair of the Board of Directors — Risk Management, Governance and Ethics Committee (Chair) — Human Resources and Compensation Committee
MONIQUE MERCIER LL.B., M.Phil., Ad.E. Residence: Outremont, Quebec, Canada	Since 2019: Corporate director 2014 – 2018: Executive Vice President, Corporate Affairs, Chief Legal & Governance Officer at TELUS Corporation	May 2019	— Audit Committee — Human Resources and Compensation Committee
DANIELLE G. MORIN B.Sc., ICD.D Residence: Longueuil, Quebec, Canada	For more than five years: Corporate director	May 2014	— Risk Management, Governance and Ethics Committee — Audit Committee (Chair)
MARC POULIN B.Sc., MBA Residence: Outremont, Quebec, Canada	For more than five years: Corporate director	May 2018	— Human Resources and Compensation Committee (Chair) — Risk Management, Governance and Ethics Committee
SUZANNE RANCOURT BBA, CPA, CGA, ICD.D Residence: Verdun, Îles-des-Soeurs, Quebec, Canada	For more than five years: Corporate director	May 2021	— Risk Management, Governance and Ethics Committee — Audit Committee

Name and place of residence	Duties over the last five years	Director since	Membership on committees of the Board
DENIS RICARD B.Sc., FSA, FCIA Residence: Pont-Rouge, Quebec, Canada	Since 2018: President and Chief Executive Officer 2017 – 2018: Chief Operating Officer 2015 – 2017: Executive Vice President, Individual Insurance and Annuities	September 2018	
LOUIS TÊTU B.Eng. Residence: Quebec City, Quebec, Canada	Since 2011: Chairman and Chief Executive Officer of Coveo Solutions Inc. (a leading applied artificial intelligence software company providing digital solutions for companies)	May 2016	— Risk Management, Governance and Ethics Committee
LUDWIG W. WILLISCH Dipl.-Volksw. Residence: Old Greenwich, Connecticut, United States	Since 2017: Corporate director 2011 – 2017: President, Chief Executive Officer and Chairman of BMW (US) Holding Corp. 2011 – 2017: President, Chief Executive Officer and member of the Board of Directors of BMW of North America, LLC	July 2021	

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

Executive officers of iA Financial Corporation

Name, occupation and place of residence	Duties over the last five years	With the Corporation since
ALAIN BERGERON BBA, M.Sc., CFA, CMT Executive Vice President and Chief Investment Officer Residence: Toronto, Ontario, Canada	— Appointed to current position in 2019 — 2013-2019: Senior Vice President and Portfolio Manager, MacKenzie Investments	September 2019
FRANÇOIS BLAIS B.Sc., FCIA, FCAS Executive Vice President Dealer Services and Special Risks Residence: Quebec City, Quebec, Canada	— Appointed to current position in 2020 — 2019-2020: President of iA Auto and Home Insurance Inc. and Prysm General Insurance Inc. — 2018-2019: Chief Operating Officer, iA Auto and Home Insurance Inc. 2017-2018: Vice President, Head of Analytics and Data	May 2004
ÉRIC JOBIN B.Sc., FSA, FCIA Executive Vice President, Group Benefits and Retirement Solutions Residence: Quebec City, Quebec, Canada	— Appointed to current position in 2020 — 2020: Senior Vice President, Group Benefits and Retirement Solutions (interim) — 2017-2020: Vice President, Actuarial and Finance — 2015-2017: Vice President, Corporate Actuarial	January 1994
RENÉE LAFHAMME BBA, FCPA, FCA, CFA Executive Vice President Individual Insurance, Savings and Retirement Residence: Quebec City, Quebec, Canada	— Appointed to current position in 2018 — 2015-2018: Executive Vice President, Insurance and Group Savings Solutions	April 1998

Name, occupation and place of residence	Duties over the last five years	With the Corporation since
PIERRE MIRON B.A.Sc. Executive Vice President, and Chief Transformation Officer Residence: Repentigny, Quebec, Canada	— Appointed to current position in 2021 — 2020-2021: Executive Vice President, Information Technology and Investment Operations — 2018-2020: Executive Vice President, Information Technology — 2010-2018: Senior Vice President, Chief Operations and IT Officer, Caisse de dépôt et de placement du Québec	September 2018
SEAN O'BRIEN Business Diploma Executive Vice President, Wealth Management Residence: Toronto, Ontario, Canada	— Appointed to current position in 2020 — 2020: Executive Vice President, Dealer Services and Special Risks — 2018-2020: Senior Vice President, iA Dealer Services — 2016: President, iA Dealer Services — 2015-2017: Chief Operating Officer, iA Auto Finance Inc.	October 2015
JACQUES POTVIN B.Sc., FSA, FCIA Executive Vice President, Chief Financial Officer and Chief Actuary Residence: Quebec City, Quebec, Canada	— Appointed to current position in 2018 — 2015-2018: Vice President and Chief Risk Officer	June 1990
DENIS RICARD B.Sc., FSA, FCIA President and Chief Executive Officer Residence: Pont-Rouge, Quebec, Canada	— Appointed to current position in 2018 — 2017-2018: Chief Operating Officer — 2015-2017: Executive Vice President, Individual Insurance and Annuities	June 1985
PHILIPPE SARFATI B.Com., MBA Executive Vice President and Chief Risk Officer Residence: Toronto, Ontario, Canada	— Appointed to current position in 2021 — 2018-2021: Chief Risk Officer, Concentra Bank — 2017-2018: Managing Director, Promontory Financial Group — 2015-2017: Senior Director, Office of the Superintendent of Financial Institutions	September 2021
LILIA SHAM B.Sc., M.Sc., FSA, FCIA, MAAA Executive Vice President, Corporate Strategy and Development Residence: Toronto, Ontario, Canada	— Appointed to current position in 2020 — 2019-2020: Executive Vice President, Corporate Development — 2018-2019: Professor at York University, Schulich School of Business — 2004-2017: Executive Vice President, Corporate Development, Intact Financial Corporation	May 2019
MICHAEL L. STICKNEY B.Sc., FSA, MBA, MAAA Executive Vice President, and Chief Growth Officer Residence: Scottsdale, Arizona, United States	— Appointed to current position in 2019 — 2005-2019: Executive Vice President U.S. Development	November 1987

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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

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

The only exception to the foregoing is:

- (i) 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.
- (ii) Ms. Emma K. Griffin is a director of ED&F Man Holdings Limited ("**ED&F Man**") which commenced a restructuring plan under Part 26A of the *Companies Act 2006* (United Kingdom) on February 3, 2022. On February 24, 2022, the Court granted ED&F Man permission to convene seven meetings for the relevant classes of shareholders and creditors. On March 16, 2022, the classes voted on the proposed plan. Six classes each approved by over the prescribed 75% in value of those voting (in person or by proxy) in the relevant class. In one class, the approval was 69.66% by value of those voting. The final "sanction" hearing occurred on March 23, 2022 at which the English court sanctioned the plan, pursuant to which the plan became binding as a matter of English law on all shareholders and creditors in those seven classes irrespective of how or if they voted.

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

Audit Committee

Mandate

The Audit Committee's mandate is to support the Board in its responsibilities regarding the Corporation's financial reporting and disclosure to shareholders and other stakeholders, the internal control environment, compliance and financial crime, the head of internal audit, the external auditor, and the Chief Financial Officer 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 is also responsible for the oversight of certain specific programs related to information technology, financial crime and privacy risks. The full text of the Audit Committee's Charter is enclosed as Schedule A to this Annual Information Form.

Composition of the Audit Committee



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.

Mario Albert held the position of Executive Vice President and was responsible for modernizing systems in the group insurance sector at La Capitale from 2017 until his retirement in 2020. Prior to that, he held several management positions in private, public and parapublic organizations in Quebec. In particular, he was General Manager of Finance Montréal, a not-for-profit corporation formed by financial institutions doing business in Quebec and aimed at the development and influence of the Quebec financial sector. He was President and Chief Executive Officer of Investissement Québec and worked at the Autorité des marchés financiers, where he served as Superintendent, Distribution and, subsequently, as President and Chief Executive Officer. As part of this role, he was a member of the Board of Directors of the International Organization of Securities Commissions (IOSCO) and Chair of its Audit Committee. Before joining the Autorité des marchés financiers, Mr. Albert was Assistant Deputy Minister responsible for fiscal policy and the economy at the Quebec Ministry of Finance. He currently serves on the Board of the Institut de gouvernance numérique, a non-profit organization which offers information management and digital transformation coaching services and is a member of the funding committee of diaMentis, a company that develops solutions for the diagnosis of mental health disorders. Mr. Albert began his career at the Department of Finance Canada in 1982. After holding positions of increasing responsibility, he was Chief, Canadian Economic Forecasting. Mr. Albert studied at Université Laval where he obtained a Bachelor's degree in Economics in 1979. He also completed the Master's degree program in Economics at Laval University in 1982.

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. She has also held several management positions in the field of information technology, particularly in the area of digital transformation. 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 Chañon.

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. Ms. Mercier 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 Board of Directors of the Thoracic Surgery Research Foundation of Montreal.

Danielle G. Morin has extensive experience in finance, including 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., Université Laval and the Fondation de l'Université Laval. She graduated from the Institute of Corporate Directors and obtained her bachelor's degree in actuarial science from Université Laval. She was a Fellow of the Canadian Institute of Actuaries from 1980 to 2019.

Suzanne Rancourt is a corporate director with more than 30 years of experience in consulting and management in finance and information technology. From 2006 to 2016, she was Vice President Enterprise Risks and Internal Audit at CGI. Since her arrival at CGI in 1985, she held increasingly senior positions in consulting, strategy and information technology, business development, project management and corporate functions in a multinational environment. Prior to her arrival at CGI, Ms. Rancourt began her career as an auditor and worked in operations, finance and accounting in distribution, retail and financial industries. She holds a bachelor's degree in Business Administration from Université du Québec à Montréal and an ICD.D designation from the Institute of Corporate Directors. She is a Chartered Professional Accountant (CPA, CGA). Ms. Rancourt also sits on the Boards of Directors of WSP and the Institute of Corporate Directors (Quebec).

Engagement of Non-Audit Services

The purpose of the Corporation's *External Auditor Independence Policy* is to ensure the auditor's independence. It provides that any service contract with the external auditor for non-audit services must be approved either by the committee or its chair based on the value of the fees related to those services. The committee or its chair, as the case may be, must take into account the following guiding principles: (i) when the service requested could be useful or could accelerate the audit services provided by the auditor, such as services related to the due diligence in the process of an acquisition, or (ii) when the service requested could require in-depth knowledge of the Corporation, (iii) when the auditor is the bidder having presented the best tender following a call for tenders, or (iv) when only the auditor is able to provide this service.

External Auditor Service Fees

Deloitte LLP (“Deloitte”) has been the external auditor of the Corporation and of iA Insurance since 1940. In 2021 and 2020, the Corporation paid out the following fees to Deloitte:

	2021 (thousands of dollars)	2020 (thousands of dollars)
Audit fees These fees were incurred to audit the financial statements of iA Financial Corporation, iA Insurance, and its segregated funds.	2,575	2,605
Audit Fees of Subsidiaries These fees were incurred to audit the financial statements of certain subsidiaries of iA Financial Corporation, except for iA Insurance.	2,023	3,393 ⁽¹⁾
Total Audit Fees	4,598	5,998
Audit-related fees These fees were incurred for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements such as special reports, services related to the issuance of share capital, employee benefit plans and additional work related to the adoption of IFRS 9 and IFRS 17.	938	252
Tax fees	-	-
Other fees (fees for non-audit-services) These fees were incurred for support services in technology development, information security, accessibility, strategic development of working spaces and risk management.	428	195
Total	5,964	6,445

(1) The main changes in audit fees regarding subsidiaries are due to additional work in 2020 resulting from the acquisition of new U.S. subsidiaries.

Indebtedness of Directors, Executive Officers and Employees

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

Legal Proceedings and Regulatory Actions

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

Since January 1, 2021, (a) no penalties or sanctions have been imposed on the Corporation (i) by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, or (ii) by a court or regulatory body that would likely be considered material to a reasonable investor in making an investment decision, and (b) iA Financial Corporation has not entered into any settlement agreements with a court relating to Canadian securities legislation or with a Canadian securities regulatory authority.

Transfer Agent and Registrar

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

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

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

Interests of Experts

Deloitte LLP, the Corporation's external auditor, prepared the auditor's report related to the audited *Consolidated Financial Statements* for the financial years ended December 31, 2021 and 2020. The Corporation has been informed that Deloitte LLP is independent within the meaning of the *Code of Ethics of Chartered Professional Accountants* (Quebec).

Additional Information

Additional information on the Corporation is available on the SEDAR website at sedar.com. Finally, additional financial information is provided in the *Consolidated Financial Statements* and the *Management's Discussion and Analysis* for its most recently completed financial year. Other information, including directors' and officers' remuneration and securities authorized for issuance under equity compensation plans, is provided in the Corporation's Management Information Circular issued in connection with its most recent annual meeting of shareholders, filed on the SEDAR website at sedar.com and on the Corporation's website at ia.ca.

SCHEDULE A

AUDIT COMMITTEE CHARTER

iA FINANCIAL CORPORATION INC.

the "Corporation"

The Audit Committee (the "**Committee**") supports the Board of Directors (the "**Board**") in its responsibilities for the Corporation's financial reporting and disclosure to shareholders and other stakeholders, the internal control environment, compliance and financial crime, the head of internal audit, the external auditor, and the Corporation's Chief Financial Officer.

Composition and Quorum

The Committee shall be constituted in accordance with the Corporation's by-laws and *Regulation 52-110 Audit Committees* ("**Regulation 52-110**").

The Committee shall consist of at least three members appointed by the Board from among the directors of the Corporation. The members shall be financially literate to perform their role;⁽¹⁾

In addition, all members of the Committee shall be independent as defined by the Canadian Securities Administrators in Multilateral Instrument 52-110 and under the Corporation's *Board Independence Policy*.

A majority of the members in office shall constitute a quorum at meetings of the Committee.

Roles and Responsibilities

The Committee shall have the following responsibilities:

1. Financial Disclosure and Internal Controls

- Oversee that processes are in place to provide reasonable assurance that the financial information is reliable and that the Corporation's financial statements are prepared in accordance with financial reporting standards and applicable legal and regulatory requirements.
- Review with management and the external auditor the interim and annual financial statements, the results of the external audit reviews thereof, the Management's Discussion and Analysis and the related press release, and obtain explanations from management of any material variances between the corresponding periods before recommending to the Board their approval and release.
- Obtain from the President and Chief Executive Officer and the Chief Financial Officer, the certifications required by Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings.
- Oversee that effective internal controls and disclosure procedures are in place to review the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than financial statements, management's discussion and analysis and annual and interim earnings press releases.
- Periodically review the Corporation's *Disclosure Policy* and periodically assess the adequacy of the procedures derived from it.
- Review with the external auditor any difficulties or problems related to its audit and management's response thereto, and if appropriate, resolve any disagreements between management and the external auditor regarding financial reporting.
- Monitor the integrity and quality of internal control systems through discussions with management, supervisory functions, the head of internal auditor and the Corporation's external auditor.

(1) In accordance with Regulation 52-110, a financially literate person is one who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

- Periodically review reports from management and supervisory functions relating in whole or in part to the operation of the Corporation's financial reporting system, and any other control mechanisms or waivers thereof.

2. Compliance and the fight against financial crime

- Receive periodic and real-time updates as needed on the Corporation's compliance status associated with the regulatory environment in which it operates, and be informed in a timely manner of significant regulatory and operational risk exposures and gaps and their impacts.
- Review monitoring plans and, where applicable, independent assessments and recommendations issued by the compliance function regarding identified deficiencies and management's action plans to address them. If necessary, request specific engagements.
- Where appropriate, review and approve management recommendations related to escalated operational risk tolerances.
- Monitor the effectiveness of the Corporation's anti-financial crime programs and recommend to the Board the adoption of related policies.
- Oversee that measures are in place for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, including the confidential, anonymous submission by employees of the Corporation of concerns regarding accounting or auditing matters.

3. Head of Internal Audit

- Approve and recommend to the Board the appointment and, when required, the removal of the head of internal audit.
- Approve annually the compensation of the head of internal audit as well as his or her objectives.
- Annually evaluate the performance of the head of internal audit and the effectiveness of the internal audit function.
- Adopt and periodically review the Corporation's *Internal Audit Charter*, which specifies, among other things, the role, mission, powers, status and responsibilities of the internal audit function.
- Periodically review and approve annually the internal audit plan, ensure that it is focused on the Corporation's inherent and significant risks and periodically monitor its implementation.
- Approve annually the projected budget and resources for the Corporation's internal audit function.
- Validate the adequacy of the scope and authority of the head of internal audit and the Corporation's internal audit function and oversee that the function has, at all times, the resources and authority necessary to carry out its mandate.
- Receive periodic updates from the head of internal audit on the completion of the audit plan or any other related matters.
- Periodically review audit reports, follow up on recommendations issued by internal audit regarding identified deficiencies, and oversee that management takes appropriate action to remedy them.
- Periodically receive a report from the head of internal audit on incidents associated with financial crime and fraud.
- Oversee the independence and objectivity of the internal audit function, including by receiving an annual certification from the internal auditor confirming its independence, the independence of the internal audit function and compliance with its code of ethics and internal auditing standards, and by ensuring that the internal audit function has unrestricted access to Committee members.

4. External auditor

- Validate the competence and independence of the external auditor.
- Monitor the work of the external auditor and receive the external auditor's annual written statement regarding its relationships with the Corporation and the member companies of iA Financial Group and discuss any relationships that may affect its objectivity or independence.
- Recommend to the Board the accounting firm to be submitted to a vote of the shareholders for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Corporation and its subsidiaries, and recommend that the compensation be determined by the Board.

- Pre-authorize all audit services, determine the non-audit services that may be performed by the external auditor and pre-approve all such non-audit services, all in accordance with the *External Auditor Independence Policy and Regulation 52-110 respecting Audit Committees*.
- Adopt and periodically review the *External Auditor Independence Policy* governing the contracting of non-audit services and the hiring of persons related to the external auditor.
- Review and approve the external auditor's fees for both audit and permitted non-audit services.
- Review the audit plan with the external auditor and management and approve it.
- Monitor the implementation of the external auditor's audit plan and oversee the follow-up of its recommendations and the actions that management has committed to take to achieve them.
- Monitor compliance with applicable requirements regarding the rotation of the external auditor's partners involved, and the external auditor's participation in the Canadian Public Accountability Board program.
- Receive all significant correspondence between the external auditor and senior management regarding audit findings.
- In the relationship with the external auditor, oversee compliance with accounting and actuarial practices, where applicable, and their prudent and appropriate nature.
- Receive an annual report on the external auditor's internal quality control procedure and review the efficiency and quality of the work performed by the external auditor.

5. Chief Financial Officer

- Periodically monitor capital adequacy against the internal target ratio and the target operating level of the solvency ratio approved by the Board.
- Review annually the performance evaluation of the Chief Financial Officer.

6. Other responsibilities

- Receive periodic reporting from management on major investment projects, including digital investment projects.
- Receive periodic reporting from management on information technology operations and receive information on best practices and industry trends.
- Receive periodically from management a report on litigation matters outside the ordinary course of business for the Corporation and its subsidiaries that could have an adverse effect on the Corporation's financial condition or results.
- Review significant correspondence with regulatory authorities and, where applicable, management's action plans.

7. Generally

- Validate that there is coordination between the 2nd line of defense oversight functions, internal audit and external audit.
- Retain and compensate accounting, legal or other advisors, subject to notification to the Board Chair. Such notice shall be accompanied by a description of the mandate to be given to the expert.
- Carry out such other responsibilities as may be assigned from time to time by the Board.

Mode Of Operation

Frequency: The Committee shall hold at least four regularly scheduled meetings per year and may meet at special meetings as required. The Chair of the Committee, the Chair of the Board or the President and Chief Executive Officer of the Corporation may call a meeting at any time.

Chair: The Board shall appoint the Chair of the Committee, who shall be independent and shall not be the Chair of the Board or of any other committee. In the absence of the Chair, the members of the Committee shall elect a Chair from among themselves.

Secretary: The Secretary of the Corporation or, in his or her absence, the Assistant Secretary of the Corporation or such other person as may be designated by the members of the Committee shall act as Secretary of the Committee.

Agenda: The Chair of the Committee shall establish the agenda for each Committee meeting in consultation with the President and Chief Executive Officer of the Corporation, the Chief Financial Officer and the Secretary. The agenda and relevant materials shall be distributed to Committee members in a timely manner prior to Committee meetings.

Reporting: The Chair of the Committee shall report regularly to the Board on the Committee's deliberations, findings and recommendations.

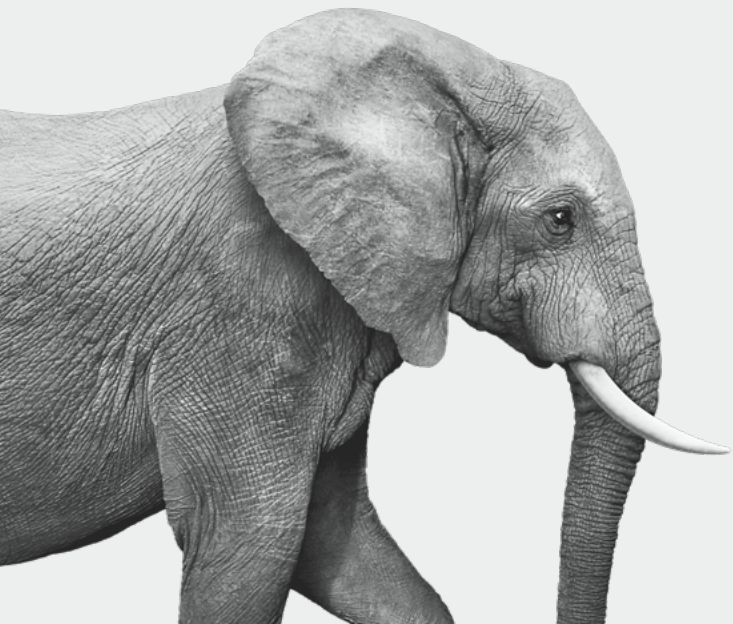
Communication: The Committee shall have direct lines of communication at all times with the external auditor, the head of internal audit and the Chief Financial Officer and all other supervisory functions of the Corporation.

In camera: After each regularly scheduled meeting, the Committee shall meet in camera and shall meet separately with the external auditor and the head of internal audit. The Committee shall meet in camera with management, Chief Financial Officer and other supervisory functions as necessary.

Charter review: The Committee shall periodically review its terms of reference and report to the Board on any changes that may be required.

ANNUAL INFORMATION FORM

iA Financial Corporation Inc.



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