



BOARD OF DIRECTORS CHARTER

STATEMENT OF PRINCIPLES

Mission

The Board of Directors (the “Board”) is responsible for independently supervising the strategic planning and management of the commercial operations and internal affairs of Industrial Alliance, Insurance and Financial Services Inc. (the “Corporation”).

Independence

The Board has adopted a policy on director independence.

Role and Responsibilities

The Board’s role has two fundamental components: decision making and oversight.

The decision-making function comprises the formulation, in conjunction with management, of fundamental policies and strategic objectives as well as the approval of certain significant actions.

The oversight function relates to the review of management decisions, the adequacy of systems and controls, and the implementation of policies.

In performing its duties, the Board shall have unrestricted access to management and the power to select, retain, terminate, and approve the fees of any independent legal, accounting, or other advisor to assist it in fulfilling its role.

It is incumbent upon the Board to fulfill the duties outlined in this mandate, either directly or through a committee.

MANDATE

The responsibilities of the Board include:

Ethics and Integrity

- Promote a culture of integrity within the Corporation. To the extent feasible, the Board must satisfy itself as to integrity of the CEO and other executive officers and ensure that they foster a culture of integrity throughout the Corporation.
- Adopt the Code of Business Conduct of the Industrial Alliance Group Companies (the “Code”), which defines standards that can reasonably be expected to promote integrity and prevent misconduct, notably with respect to conflicts of interest, related party transactions, and the handling of confidential information.
- Monitor compliance with the Code and receive reports confirming adherence to the Code.
- Any waivers from the Code granted to a director or executive officer must be approved by the Board.

Strategic Planning

- Adopt a strategic planning process that includes capital management planning; oversee the development of the Corporation’s strategic direction, plans, and priorities and approve, at least once per year, a strategic plan that takes into account, among other things, the Corporation’s opportunities and risks.
- Monitor the implementation and effectiveness of the approved strategic and operating plans.
- Review and approve the Corporation’s financial objectives and operating plans as well as related measures established by the Corporation, including capital allocations, expenditures and transactions exceeding the thresholds set by the Board.
- Approve major business decisions.

Risk Management

- Ensure implementation by management of processes to identify the main risks of Corporation operations. The Board receives periodic reports on the status of risk management plans and initiatives.
- Review the risk management measures implemented by management.

Compliance

- Ensure implementation by management of a comprehensive compliance management program that assures compliance with applicable regulatory, corporate and securities requirements.

Succession Planning

- Oversee the selection, appointment, development, evaluation and compensation of the Board chairman, directors, president and CEO as well as all executive officers.
- Review annual performance targets and evaluate the annual performance of the CEO and all executive officers.
- Oversee the establishment of the Corporation's guiding principles regarding human resources and compensation.
- Review, on a regular and no less than annual basis, the succession plan for senior executives.

Communications and Public Disclosure

- Supervise communications and information intended for the public. The Board has adopted a disclosure policy that governs the release of information about the Corporation, ensuring that it is disclosed in a timely, accurate, and fair manner in compliance with all legal and regulatory requirements.
- The CEO, Board chairman or any other director authorized by the CEO or Board chairman may communicate with the Corporation's shareholders and partners on its behalf.

Internal Controls

- Oversee internal control and management information systems, monitor their integrity and periodically review their effectiveness and performance.
- Review and approve annual and quarterly financial statements and management discussion and analysis, the annual information form, the management proxy circular, and other disclosure documents before publication. To do so, the Board will draw on the detailed analysis supplied by senior management and the audit committee.
- Oversee compliance with applicable audit, accounting, and reporting requirements.
- Approve dividend payments as well as capital allocations, expenditures and transactions that exceed the thresholds set by the Board.

Governance

- Develop a set of governance principles and guidelines.
- Establish appropriate structures and procedures that enable the Board to act independently of management.
- Review and approve corporate governance policies and methods whenever they are updated.
- Establish Board committees and define their mandates to assist the Board in fulfilling its role and responsibilities.

- Define expectations and responsibilities of directors, including attendance at, preparation for, and participation in meetings.
- Undertake regular evaluation of the Board, its committees and its members and review its composition with a view to the effectiveness and independence of the Board and its members.

Duty of Care

- In fulfilling their responsibilities as Board members, the directors shall act honestly and in good faith with a view to the best interests of the Corporation, and exercise the care, diligence and skill expected of a reasonable and prudent person.

Communication with Directors

- Shareholders and other Corporation partners may communicate with directors by writing to the Board chairman at the following address:

Chairman of the Board

Industrial Alliance Insurance and Financial Services Inc.
1080 Grande Allée West
Québec, QC G1K 7M3