



MANDATE OF THE GOVERNANCE AND ETHICS COMMITTEE

The mandate of the Governance and Ethics Committee (the “Committee”) of Industrial Alliance Insurance and Financial Services Inc. (the “Company”) is to ensure that the Company is governed by its strategic direction, based on a systematic approach and an ethical and responsible corporate culture that is consistent with the Company’s long-term interests and values.

COMPOSITION AND QUORUM

The Committee must be constituted in accordance with the Company’s by-laws, the *Act Respecting Insurance* (Quebec), chapter A-32 (the “Act”), and Decision no. 2015 SOLV-0065 issued by the Autorité des marchés financiers regarding the authorization for the formation of an ethics committee (the “Decision”), as they may be amended from time to time.

The Committee is composed of at least three members appointed by the board of directors (the “Board”) from among the Company’s directors. The composition of the Committee must meet the following criteria:

- The majority of Committee members must not be constituted by shareholders who hold 10% or more of the voting rights attached to the shares issued by the Company or by a legal entity affiliated with the Company, or 10% or more of such shares
- Notwithstanding the provisions of the Act and in accordance with the Decision, the majority of the Committee members can be composed of members sitting on other Board committees, but this majority shall not sit simultaneously on another Board committee. It can be mainly composed of directors, officers and/or other representatives and employees of legal entities affiliated with them.

All Committee members must be independent, as this term is defined by the Canadian Securities Administrators.

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

RESPONSIBILITIES

The Committee has the following responsibilities:

1. Governance

GOVERNANCE FRAMEWORK AND POLICIES

- Periodically review and recommend to the Board governance policies and guiding principles based on the Company's strategic direction
- Advise the Board on matters pertaining to the Company's image, communications and public affairs, particularly where the disclosure of governance practices and policies is concerned

COMPOSITION AND RENEWAL OF THE BOARD

- In collaboration with the Chair of the Board, review and recommend to the Board the desired competencies, experience and qualities to ensure the ongoing renewal of Board competencies
- In collaboration with the Chair of the Board, recommend to the Board candidates for appointment to the position of director and/or Board committee chair or member, taking into account the desired competencies, experience, integrity and skills
- Analyze and make recommendations to the Board regarding number of directors, Board composition and Board and Committee Chair appointments, taking into account the Board's and Company's needs and related best practices
- Develop a Board renewal policy and keep the Board renewal plan updated

ASSESSMENT OF THE EFFECTIVENESS OF THE BOARD, ITS COMMITTEES AND THEIR MEMBERS

- Establish and periodically review the process for assessing the efficiency and contribution of the Board, the Board committees and the directors, including the Chair of the Board and of its Committees, and ensure that this assessment is performed on a yearly basis
- Propose measures to foster an integrated approach to managing the Board's activities and decision-making cycle and to continuously improve Board governance
- Evaluate the quality and efficiency of Board relations with Company management, while ensuring the independence of the Board from management
- Periodically review the mandates of the Chair of the Board and of the Chair of each Board committee in order to foster an integrated annual cycle for managing Board activities and placing the necessary focus on emerging strategic priorities and issues

*Adopted by the Board of Directors on May 11, 2017,
at the recommendation of the Governance and Ethics Committee*

DIRECTOR TRAINING

- Recommend to the Board an orientation and continuing education process for directors

DIRECTOR COMPENSATION

- Recommend to the Board a director and committee member compensation policy and review it regularly

2. Ethics

RULES OF CONDUCT FOR DIRECTORS AND OFFICERS

The Act prescribes that the Committee must adopt rules of ethics relating to the professional conduct of directors and officers. In this regard, the Committee shall:

- Periodically review the *iA Financial Group Code of Business Conduct* and oversee its implementation
- Periodically receive reports on the *iA Financial Group Code of Business Conduct* and on conflicts of interest
- Periodically receive a report on matters received through the integrity hotline, or any other source, relating to inappropriate conduct by Company employees, except for reports of fraud that are reported to the audit committee

PRIVACY

The Act prescribes that the Committee must adopt rules of ethics relating to the protection of confidential information. In this regard, the Committee shall:

- Periodically review the *iA Financial Group Privacy Policy* and oversee its implementation
- Periodically receive a report on compliance with the *iA Financial Group Privacy Policy*

TRANSACTIONS WITH RESTRICTED PARTIES

The Act prescribes that the Committee must adopt rules of ethics relating to the Company's conduct with respect to restricted parties or associates of its directors and officers, as well as the formalities and conditions governing contracts with related parties. In this regard, the Committee shall:

- Adopt rules relating to transactions with restricted parties (the "Rules")
- Receive reports, on an annual basis, on transactions with restricted parties, compliance with the Rules, and credit granted to restricted parties

- Review transactions for purchasing securities, for transferring assets and for service contracts between the Company and restricted parties and recommend approval by the Board, if applicable

3. Other

- Retain, when it deems appropriate, the services of independent advisors to assist it in the fulfillment of its mandate
- Perform other duties as assigned by the Board

REPORT TO THE AUTORITÉ DES MARCHÉS FINANCIERS

On a yearly basis, within two months following the end of the Company's financial year, the Committee submits to the Autorité des marchés financiers (the "AMF") a report detailing its operations as at that date, according to the AMF's requirements.

METHOD OF OPERATION

Frequency: The Committee holds four regular meetings per year and may hold special meetings if required. A meeting may be called at any time by the Committee Chair, the Chair of the Board, or the Company's president and chief executive officer

Chair: The Board appoints the Committee Chair. In the Chair's absence, the Committee members elect a Chair amongst themselves

Secretary: The Corporate Secretary or, in his/her absence, the Assistant Corporate Secretary or any other person designated by the Committee members, acts as the Committee's Secretary

Agenda: The Committee Chair establishes the agenda for each meeting of the Committee in consultation with the president and chief executive officer of the Company and the Corporate Secretary. The agenda and the necessary documents are provided to members of the Committee in a timely fashion prior to any Committee meeting

Report: The Committee Chair reports regularly to the Board about the Committee's discussions, findings and recommendations

In camera: The Committee meets in camera following each meeting without members of management present

Review of mandate: The Committee periodically reviews its mandate and reports to the Board on any modifications required thereto

Declaration: The Committee annually provides the Board with a declaration confirming that all required elements included in its mandate have been covered

Minutes: The minutes of Committee meetings are approved by the Committee, are then submitted to the Board for information purposes and are filed by the Corporate Secretary in a register kept for this purpose

Resolutions: Written resolutions, signed by all Committee members, have the same effect as if they had been adopted at a meeting of the Committee.

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