



## **MANDATE OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE**

The mandate of the Human Resources and Compensation Committee (the “Committee”) of Industrial Alliance Insurance and Financial Services Inc. (the “Company”) is to oversee the Company’s management renewal, appointments, compensation and assessment, as well as the human resources policy framework, in accordance with the Company’s strategic direction.

## **COMPOSITION AND QUORUM**

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The Committee must be constituted in accordance with the provisions of the Company’s by-laws, as may be amended from time to time.

The Committee is composed of at least three members of the Company’s board of directors (the “Board”). Committee members must possess the skills necessary to understand the principles and practices related to human resources and compensation, or commit to acquiring those skills in a timely manner.

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**

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The Committee has the following responsibilities:

### **1. Human Resources and Compensation**

#### ***APPOINTMENTS***

- Review and recommend to the Board a list of mandate descriptions and competency requirements for the position of president and chief executive officer
- Review and recommend to the Board the required competency criteria for senior management positions and supervisory functions

*Adopted by the Board of Directors on May 11, 2017,  
at the recommendation of the Human Resources and Compensation Committee*

- Establish a selection and recruitment process for the president and chief executive officer and for senior management members

#### **COMPENSATION**

- Recommend to the Board the Company's compensation strategy
- Review annually and recommend to the Board amendments to the Company's compensation policies for employees, senior management and the president and chief executive officer of the Company (including salaries, bonuses and any other incentive plans, share purchase plans, stock option plans, deferred compensation plans or other employee benefits)
- Continuously monitor the application of the Company's compensation programs and policies and their alignment with the Company's strategic direction
- Examine, on an annual basis, the compliance, financial standing, and evolution of the Company's pension plans
- Recommend to the Board, on an annual basis, the annual performance targets and objectives for the president and chief executive officer and senior management members
- Review and approve the annual communication to shareholders on executive compensation in the Company's continuous disclosure documents, and in general, review and approve all compensation-related information before it is publicly disclosed
- Continuously evaluate the risks associated with the Company's compensation policies and practices and ensure that these risks are managed

#### **ASSESSMENT**

- Assess, on a yearly basis, the performance of the president and chief executive officer, based on performance targets and objectives set for the year, and provide a report to the Board
- Review, on a yearly basis, the president and chief executive officer's assessment of each senior management member and provide a report to the Board
- Receive a report, prior to their taking office and annually thereafter, on the assessment of the Company's president and chief executive officer and senior management members

### **SUCCESSION PLANNING**

- Recommend to the Board a succession process for the Company's president and chief executive officer and key executive positions, and submit to the Board its recommendations on this plan on a regular basis
- Establish and review, on an annual basis, a separate emergency plan and the names of people who could, in the event of an emergency, immediately replace the president and chief executive officer, chief financial officer, and the three other most highly compensated senior management members

## **2. Other**

- Retain, when it deems appropriate, the services of independent advisors to assist it in fulfilling its duties, subject to informing the Chair of the Board
- Perform other duties as assigned by the Board

### **METHOD OF OPERATION**

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**Frequency:** The Committee has three 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 on a regular basis 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

*Adopted by the Board of Directors on May 11, 2017,  
at the recommendation of the Human Resources and Compensation Committee*

**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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