

SUSTAINABLE GROWTH



Annual Meeting of Shareholders 2019

iA Financial Corporation Inc.



Notice of the 2019 Annual Meeting of Common Shareholders of iA Financial Corporation Inc.

When?

May 9, 2019

2:00 p.m. (Eastern time)

Where?

Quebec City Convention Centre

1000 René Lévesque Boulevard East

Quebec City, Quebec

Agenda

At our 2019 Annual Meeting, Common Shareholders of iA Financial Corporation Inc. will be asked to:

- 1) receive the consolidated financial statements of Industrial Alliance Insurance and Financial Services Inc. and the report of the external auditor for the year ended December 31, 2018;
- 2) appoint the external auditor for iA Financial Corporation for the ensuing year;
- 3) elect the directors of iA Financial Corporation for the ensuing year;
- 4) vote on an advisory resolution on iA Financial Corporation's approach to executive compensation;
- 5) examine the shareholder proposals; and
- 6) transact such other business as may be properly brought before the Meeting.



For your information

In order for proxies to be voted at the Annual Meeting or at any adjournment(s) thereof, the completed proxy form must be received by Computershare Investor Services Inc., 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1, no later than 5:00 p.m. (local time) on May 7, 2019, or 48 hours before any adjournments(s) thereof. You may send your proxy form by mail or deposit it directly with Computershare.

Quebec City, Quebec, March 13, 2019
iA Financial Corporation

Jennifer Dibblee
Corporate Secretary

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Message from the Chair of the Board of Directors

Change with continuity

Dear Shareholders,

I have had the honour to chair the Board of Directors of Industrial Alliance Insurance and Financial Services Inc. ("iA Insurance") since September 6, 2018 and iA Financial Corporation Inc. since January 1, 2019.

I would first like to begin by thanking Ms. Jocelyne Bourgon, who held this position before me at iA Insurance.

Ms. Bourgon guided the work of the Board of iA Insurance over a pivotal period that witnessed, among other things, the retirement of Mr. Yvon Charest after 18 years in the position of President and Chief Executive Officer and a smooth transition, which led to the appointment of Mr. Denis Ricard to this position on September 1, 2018.

On behalf of the Board of Directors, I would like to pay tribute to Yvon Charest and to the outstanding heritage that he left to iA Insurance and to the subsidiaries of the group. Over his term as President and Chief Executive Officer of iA Insurance, the organization ranked among the leading financial services companies in Canada with an exceptional reputation.

I commend Denis Ricard for his well-deserved appointment as President and Chief Executive Officer of iA Insurance and iA Financial Corporation. An actuary by training, Denis Ricard began his career with us in 1985. Over the past 33 years, he has held positions of growing responsibility through which he has developed a thorough understanding of the organization.

We look to the future with energy, confident that we will be able to meet any challenges that arise.

New holding company

The year 2018 ended with the completion of the project approved by the Common Shareholders at the annual and special meeting held on May 10, 2018. Effective January 1, 2019, iA Financial Corporation became the parent company of the group.

This new legal structure is adapted to the current scope of the group, which fosters greater financial flexibility in furthering our growth strategy and diversifying our operations.

A sound governance culture

Sound governance has always been an integral part of our culture. We make it our ongoing duty to adopt best governance practices. Adherence to the highest standards in this area not only promotes growth and increases iA Financial Corporation's share value, but also maintains the confidence of investors, clients and all other stakeholders.

In this spirit of sound governance, we became signatories to the United Nations PRI (*Principles for Responsible Investment*), in the first quarter of 2019.

Impressive results

The Board of Directors is pleased to note that the 2018 financial results have shown that the core elements on which the group's business is based are solid. All lines of business have vigorously pursued their business strategy with the common goal of increasing earnings per share.

Invitation to the Annual Meeting

It is our great pleasure to invite you to the iA Financial Corporation Annual Meeting, which will be held at the Quebec City Convention Centre on May 9, 2019 at 2:00 p.m.

The Annual Meeting is an opportunity during the year to provide you with information on different governance aspects and to invite you to share your views on several of them.

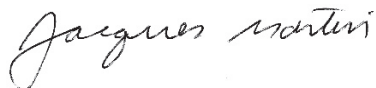
In this Circular, you will find extensive information, particularly on the election of directors, executive compensation and our high governance standards. We invite you to review it before the Meeting.

If you are unable to attend the Meeting in person, it will be broadcast live on our website at www.ia.ca in English and French.

It is important to exercise your voting rights regarding the matters presented in this Circular. If you are unable to attend the Meeting, you may vote by telephone, online or by completing the proxy form attached hereto.

On behalf of iA Financial Corporation's Board of Directors and executive officers, we thank you for your trust and assure you of our commitment to you, our Shareholders.

I look forward to meeting with you on May 9.



Jacques Martin
Chair of the Board

Key financial results (as at December 31, 2018):	
Net income attributed to Common Shareholders:	612.7 million dollars
Earnings per share (diluted)	\$5.59
Return on equity	12.5%
Solvency ratio	126%
Premiums and deposits	10.3 billion dollars
Assets under management and administration	168.8 billion dollars
Book value per common share	\$47.40

Our new holding company

At the last Annual and Special Meeting of iA Insurance, held on May 10, 2018, the Common Shareholders approved the plan of arrangement presented to create a holding company by 97.11%. This project was completed on January 1, 2019, the date on which iA Financial Corporation became the parent corporation of the iA Group holding 100% of the common shares of iA Insurance.

Creation of the Corporation

Under the plan of arrangement, all the common shares of iA Insurance outstanding at January 1, 2019 were exchanged for newly issued common shares of iA Financial Corporation, the new holding company, on a one-for-one basis. The holders of iA Insurance common shares were not required to take any action for the exchange of their shares. Issued and outstanding series of preferred shares and debentures remain issued by iA Insurance and have been guaranteed by iA Financial Corporation in accordance with the terms of the arrangement.

Since the open of markets on January 4, 2019, the common shares of iA Financial Corporation have been listed and traded on the Toronto Stock Exchange (TSX) under iA Insurance's former trading symbol (TSX: IAG). The issued and outstanding Class A Preferred Shares, Series B, G and I, of iA Insurance will continue to trade on the TSX but under the new 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 regulated under the *Act respecting insurance* (Quebec). However, iA Financial Corporation will maintain the ability to supply capital, if it considers it necessary, to iA Insurance so that the latter meets the capital adequacy requirements under the *Act respecting insurance* (Quebec). Pursuant to an undertaking, iA Financial Corporation will disclose its capital position on a quarterly basis. A copy of the undertaking (to which the *Autorité des marchés financiers* is an intervening party) was filed under the SEDAR profiles of both iA Financial Corporation and iA Insurance at www.sedar.com.

As at January 1, 2019, the normal course issuer bid program of iA Insurance was transferred to iA Financial Corporation, subject to compliance with regulatory limits and requirements.

Since the implementation of the holding company, the members of the Boards of Directors and of the Board committees of iA Insurance and of iA Financial Corporation are the same.

A full description of the plan of arrangement was provided in the Management Proxy Circular of iA Insurance dated March 23, 2018 that was sent to Common Shareholders and filed on SEDAR at www.sedar.com. The final order approving the arrangement was issued by the Superior Court of Quebec on May 17, 2018. The arrangement was also authorized by the Quebec Minister of Finance as required under the *Act respecting insurance* (Quebec) on December 12, 2018.

Which company are we talking about?

Until December 31, 2018, iA Insurance was the parent company of the group. Since January 1, 2019, iA Financial Corporation is now the parent company. As a result, the disclosure provided in this Circular is presented in order to demonstrate this continuity. In this respect, the information covers both the activities of the Board of Directors and of its committees carried out at iA Insurance until December 31, 2018 and at iA Financial Corporation after January 1, 2019. Similarly, references to the "Corporation", for any period prior to January 1, 2019, refer to iA Insurance and, for any period after January 1, 2019, refer to iA Financial Corporation.

The executive officers of iA Insurance are also the senior executives of iA Financial Corporation.

Any disclosure covering a period of time prior to January 1, 2019 is information related to iA Insurance. Likewise, any disclosure referring to a date on or after January 1, 2019 is information related to iA Financial Corporation, our new holding company.

Governance

Under the plan of arrangement, all mandates, resolutions, charters, policies, codes of conduct and ethics and delegations of authority adopted by the Board of Directors of iA Insurance that were in effect immediately before January 1, 2019 shall be deemed to be adopted by the Board of Directors of iA Financial Corporation.

Similarly, the executive compensation program and policies applicable to iA Insurance are also applicable to the executives of iA Financial Corporation.

The Board of Directors of iA Financial Corporation has the same committees as iA Insurance.

Meeting Information

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



For your information

- The Circular is part of the solicitation of proxies by the management of iA Financial Corporation to be used at the 2019 Annual Meeting. Herein you shall find important information required to exercise your voting rights.
- You have received the Circular because you held, at the close of business on March 13, 2019, Common Shares of iA Financial Corporations ("**Common Shares**"). Unless otherwise indicated, the information contained in the Circular is up to date as of March 13, 2019 and all amounts are in Canadian dollars.
- The financial statements presented to Shareholders are those of Industrial Alliance Insurance and Financial Services Inc.

Questions Submitted at the Annual Meeting

Our financial statements

Before January 1, 2019, iA Financial Corporation had no operations or assets. As a result, the financial statements that will be presented at the Meeting will be the consolidated financial statements of iA Insurance for the year ended December 31, 2018. You will find them in our *2018 Annual Report*, which is available on our website at www.ia.ca and on the SEDAR website at www.sedar.com. Copies will also be available on site.

iA Financial Corporation's first fiscal year as reporting issuer began on January 1, 2019. iA Financial Corporation's first audited annual financial statements as reporting issuer will be presented at the Corporation's Annual Meeting to be held in May 2020.

Appointment of the external auditor

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

In 2013, with a view to ensuring sound management of the auditing services obtained, the Audit Committee proceeded with a request for proposals to several public accounting firms. Following this process, the Audit Committee recommended the renewal of Deloitte's mandate as external auditor. The Audit Committee annually reviews the work performed by Deloitte and is satisfied with it.

During 2018, the Audit Committee obtained written confirmation from Deloitte confirming its independence and objectivity in relation to the Corporation, in accordance with the code of ethics of the Quebec CPA Order.

☒ **Vote FOR**

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

For the 2019 financial year, and in accordance with the recommendation of the Audit Committee, it is proposed that Deloitte be reappointed at the Meeting as external auditor of the Corporation, to hold office until the close of the next Meeting, and that the auditor's compensation be determined by the Board of Directors.

In 2018 and 2017, we paid out the following fees to Deloitte:

	2018 (thousands of dollars)	2017 (thousands of dollars)
Audit fees These fees were incurred to audit the financial statements of iA Insurance, several of its subsidiaries, and its segregated funds.	3,744	3,288
Other audit-related fees These fees were incurred for certification and revision services related to special reports, issuance of share capital and employee benefit plans.	693	425
All other fees These fees were incurred for support services for the adoption of accounting standards and for other initiatives related to the review of processes and accounting.	281	360
Total	4,718	4,073

In accordance with its mandate, the Audit Committee approves all audit services, determines non-audit services that may be provided by the external auditor and pre-approves all non-audit services that the Corporation's external auditor may provide thereto or to its subsidiaries, pursuant to the pre-authorization policy for services provided by the external auditor and to the current regulations.

Election of Directors

Eleven directors will be elected at the Meeting. Each director elected at the Meeting will hold office until the close of the next Annual Meeting of iA Financial Corporation, unless he or she resigns or otherwise vacates his or her office. In accordance with our *Policy Regarding the Election of Directors*, a candidate who receives a number of abstentions higher than the number of votes in his or her favour is required to submit his or her resignation to the Board. Information on our *Policy Regarding the Election of Directors* and on nominees for director positions can be found on page 14 and following.

☒ **Vote FOR**

The Board recommends that you vote FOR each candidate for the position of director as proposed by the Corporation.

Advisory Vote on Executive Compensation

You will participate in an advisory, non-binding vote regarding a resolution on executive compensation. Our executive compensation program is intended to attract, motivate, reward and retain the senior management talent required to achieve our objectives and increase Shareholder value. Our compensation program is discussed in more detail on page 59 and following. We believe that the executive compensation for 2018 is reasonable and appropriate, is justified by the Corporation's performance, and is the result of a considered, largely pre-established formulaic approach.

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

Last year, 90.3% of Common Shareholders voted FOR our approach to executive compensation and since the advisory vote was introduced, it has received an average approval rate of 91.5%. We are presenting this proposal, which gives you, as a Common Shareholder, the opportunity to endorse our executive compensation program by voting on the following resolution:

BE IT RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors,

THAT the Common Shareholders accept the approach to executive compensation disclosed in the Information Circular of the Corporation dated March 13, 2019.

Shareholder Proposals

The Mouvement d'éducation et de défense des actionnaires sent iA Financial Corporation three proposals to be included in the Circular. We have reproduced the full text of these proposals and the responses of iA Financial Corporation thereto on pages 98 and following.

Shareholder proposals for our 2020 Annual Meeting must be received no later than December 16, 2019 in order to be included in our 2020 Proxy Circular. Proposals must be made in writing and comply with the requirements of the *Business Corporations Act* (Quebec) that you may consult on the Légis Québec website at www.legisquebec.gouv.qc.ca.

Please send your proposals to the following address:

Corporate Secretary
iA Financial Corporation Inc.
1080 Grande Allée West
P.O. Box 1907, Station Terminus
Quebec City, Quebec G1K 7M3
Email: secretariat_corporatif@ia.ca.

Consideration of Other Matters

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

Vote FOR

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

Vote AGAINST

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



Who can Vote?

Persons who hold Common Shares on March 13, 2019 will be entitled to vote at the Meeting, as a Registered Shareholder or as a Beneficial Owner, and will be entitled, during a vote, to one vote for each Common Share held.

Registered Shareholder:

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

Beneficial Owner:

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

Common Shares are the only securities of our share capital that confer voting rights. As of March 13, 2019, 107,205,097 Common Shares were issued and outstanding.

The 10% rule

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

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



How to Vote?

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



Attend the Meeting and vote in person



Do not attend the Meeting and vote by proxy

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



Attend the Meeting and vote in person

Registered Shareholder:

If you wish to attend the Meeting in person and exercise your voting rights in person, go to the Meeting to be held at the Quebec City Convention Centre, located at 1000 René-Lévesque Boulevard East, Quebec City, Quebec, and register with Computershare when you arrive. You are not required to complete the proxy form that was sent to you if you choose to vote in person at the Meeting.

Beneficial Owner:

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



Do not attend the Meeting and vote by proxy

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

Registered Shareholder:

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

Beneficial Owner:

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

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

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

For the proxy voting rights to be exercised at the Annual Meeting, the duly completed Proxy Form must be received by Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, no later than 5:00 p.m. (local time) on May 7, 2019 or 48 hours prior to any adjournment of the Meeting.

Solicitation of Proxies

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

Amendment of your voting instructions

Registered Shareholder:

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

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

Beneficial Owner:

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

How Will Your Proxy Vote?

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

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

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



How to View the Meeting without Attending it in Person?

It is possible to view the Meeting's webcast by accessing the "Investor Relations" section of our website (www.ia.ca/investorrelations). However, it will not be possible for you to vote remotely as if you were on site. Your votes will have to have been sent by proxy. The recording of the Meeting will be available at least until the next Meeting is held.

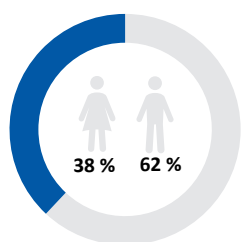
Our Directors

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

As at December 31, 2018

12 of our 13 directors are independent

Diversity fosters
a variety of ideas
and opinions



Average age :

58.8

Attendance rate
at Board and
committee meetings:

Average tenure:
5.01 years

Board:
95%

Committees:
91%

Our Key Policies Affecting Directors

Board Composition and Renewal

Our *Board of Directors Composition and Renewal Policy* determines the rules applicable to the Board of Directors' composition, the guidelines governing the Board renewal and the key elements in implementing these guidelines. On the recommendation of the Governance and Ethics Committee, the Board also approved a Board competency profile it seeks for all members of the Board for the 2017-2021 planning period and also a skills matrix that you will find hereafter in the section entitled "Board Member Areas of Expertise".

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

The competency profile adopted is based in particular on experience relating to financial institutions, large organizational management expertise, corporate governance, financial and strategic management, and information technologies.

The Governance and Ethics Committee and the Board ensure that the majority of the Board members are independent directors. The only director who has a direct relationship with the Corporation is Mr. Denis Ricard who has been the President and Chief Executive Officer of iA Insurance since September 1, 2018 and of iA Financial Corporation since November 30, 2018, having succeeded Mr. Yvon Charest, who retired after serving as President and Chief Executive Officer for 18 years.

Policy Regarding Board Diversity

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

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

As at December 31, 2018, the percentage of women serving on the Board was 38% and 42% in the case of the independent directors. If the director nominees in this Circular are elected, the percentage of women who will serve on the Board in 2019 will be 36% and 40% for independent directors.

Retirement

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

As at December 31, 2018, the average age of the members of the Board of Directors was 58.8 years of age and the average tenure of the directors was 5.01 years. After the Meeting, if all the nominees are elected, the average age of the members of the Board of Directors will be 58.7, and the average tenure of the directors will be 3.04 years.

Seven of the 10 independent director nominees will have joined the Board since the May 2016 Annual Meeting.

Prior to the Meeting (as at December 31, 2018)	→	After the Meeting
Average age: 58.8		Average age: 58.7
Average tenure: 5.01 years		Average tenure: 3.04 years

Majority Voting

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

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

Interlocking Boards and Outside Boards

Our *Board of Directors Composition and Renewal Policy* provides that, before agreeing to serve on other boards, directors must notify and obtain approval from the Chair of the Board. Moreover, our policy provides that a maximum number of two directors can serve together on the board of another reporting issuer, unless approval is obtained from the Chair of the Board. **As of the date of the Circular, no director served at the same time as another director on the board of another reporting issuer.**

Director Nominees

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

Set forth herein are the name, municipality, province or state and the country of residence of each nominee, his or her principal occupation, the year in which he or she first became a director of iA Insurance or of the Corporation, and the number and value of the Common Shares and Deferred Share Units ("**DSUs**") of the Corporation and the Preferred Shares of iA Insurance beneficially owned, controlled, or directed, directly or indirectly, by him or her.

All directors, other than Mr. Ricard, who is required to comply with the executive share ownership requirements, are required to hold Common Shares or DSUs of the Corporation or Preferred Shares of iA Insurance in an amount corresponding to three times the annual retainer received as a director. Directors have a period of five years from the date of their appointment as a director or from the date of an increase in the annual retainer paid to directors to comply with this policy. The information relating to the Corporation's securities beneficially owned by each nominee for election as a director or over which each nominee exercises indirect control or direction has been provided by the nominees individually.

The "**Total Market Value**" of the Common Shares or of the DSUs is determined by multiplying the closing price of the Common Shares on the Toronto Stock Exchange on March 13, 2019 (\$51.13) and March 14, 2018⁽¹⁾ (\$54.09) by the number of Common Shares and DSUs owned by the director. A DSU is an accounting entry corresponding to the value of Common Shares credited to an account in the director's name and payable in cash on a specific date after he or she leaves the Board.

The following tables also contain biographical notes on the proposed nominees, a list of the boards of directors of public companies on which they sit, their primary areas of expertise, and their attendance at Board meetings and meetings of the committees of which they were a member for the financial year ended December 31, 2018. Lastly, the tables also set out the results regarding votes in favour of the election of each director at the 2018 Annual Meeting.

⁽¹⁾The Arrangement mentioned in the iA Insurance Circular dated March 23, 2018 came into effect on January 1, 2019. As at March 14, 2018, the Common Shares listed on the Toronto Stock Exchange were those of iA Insurance. As a result, for that date, the "**Total Market Value**" of the Common Shares or of the DSUs was determined by using the closing price of the Common Shares of iA Insurance on the Toronto Stock Exchange on March 14, 2018.



Agathe Côté,
M. Econ. ICD.D

Age: 61
Residence: Ottawa, Ontario
Canada

Director since May 2016
Independent

Obtained 92.45%
of votes FOR by participating
policyholders at the 2018
Annual Meeting

Agathe Côté was Deputy Governor of the Bank of Canada from 2010 until her retirement in 2016. With the members of the Governing Council, Ms. Côté shared responsibility for decisions with respect to monetary policy and financial system stability, and for setting the Bank's strategic direction. Ms. Côté joined the Bank in 1982 as an economist. After assuming a series of positions of increasing responsibility, Ms. Côté was appointed Deputy Chief of the Department of Monetary and Financial Analysis in 2000 and, in 2001, Deputy Chief of the Financial Markets Department. Ms. Côté was appointed Chief of the Bank's Canadian Economic Analysis Department in 2003 and Advisor to the Governor in 2008. Ms. Côté was an alternate ex-officio member of the Board of Directors of the Canada Deposit Insurance Corporation from 2010 to 2013. She has also been an ex-officio member of the Board of Directors of the Center for Interuniversity Research and Analysis of Organizations (CIRANO) and has been a member of Statistics Canada's National Accounts Advisory Committee. Ms. Côté received a bachelor's degree in economics in 1981 and a master's degree in economics in 1983, both from the Université de Montréal. Ms. Côté is a holder of the Institute of Corporate Directors Director designation.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years
Board of Directors	11/11	100%	N/A
Investment Committee	5/5	100%	
Audit Committee	3/3 ⁽¹⁾	100%	

Areas of expertise	Securities Held	March 13, 2019	March 14, 2018
— Business Areas	Common Shares	-	-
— Corporate Governance	DSUs	3,946	2,531
— Financial	iA Insurance Preferred Shares	-	-
— Compliance	Total – Common Shares, DSUs and iA Insurance Preferred Shares	3,946	2,531
	Total Market Value – Common Shares, DSUs and iA Insurance Preferred Shares	\$201,759 ⁽²⁾⁽³⁾	\$136,902 ⁽²⁾
	Minimum Ownership Requirement	\$300,000	\$210,000

⁽¹⁾ Ms. Côté has been a member of the Audit Committee since May 10, 2018.

⁽²⁾ As at March 14, 2018 and March 13, 2019, Ms. Côté was still in compliance with the five-year time limit for attaining the minimum ownership requirement.

⁽³⁾ As at March 13, 2019, Ms. Côté was still in compliance with the five-year time limit for attaining the additional minimum ownership requirement following the increase in the annual retainer on October 1, 2018.



Benoit Daignault

B.B.A., CFA

Age: 55

Residence: Ottawa, Ontario
Canada

New nomination
Independent

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

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

Areas of expertise
— Business Areas
— Organizational Change Management
— Financial
— Strategic

Securities Held	March 13, 2019
Common Shares	74
DSUs	N/A
iA Insurance Preferred Shares	-
Total – Common Shares, DSUs and iA Insurance Preferred Shares	74
Total Market Value – Common Shares, DSUs and iA Insurance Preferred Shares	\$3,784
Minimum Ownership Requirement	N/A



Nicolas Darveau-Garneau,
MBA, BMath

Age: 50

Residence: Los Gatos, California,
U.S.A.

Director since May 2018
Independent

Obtained 99.94%
of votes FOR by common
shareholders at the 2018
Annual Meeting

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

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	8/8 ⁽¹⁾	100%	TMX Group Limited	2018 –
Human Resources and Compensation Committee	1/2 ⁽¹⁾	50%		

Areas of expertise	Securities Held	March 13, 2019	March 14, 2018
— Business Areas	Common Shares	-	-
— Financial	DSUs	1,276	N/A
— Strategic	iA Insurance Preferred Shares	-	-
— IT	Total – Common Shares, DSUs and iA Insurance Preferred Shares	1,276	-
	Total Market Value – Common Shares, DSUs and iA Insurance Preferred Shares	\$65,242 ⁽²⁾	-
	Minimum Ownership Requirement	\$300,000	N/A

⁽¹⁾ Mr. Darveau-Garneau has been a member of the Board of Directors and the Human Resources and Compensation Committee since May 10, 2018.

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



Emma K. Griffin

M.A. (Oxon), B.A. (Oxon)

Age: 46

Residence:

Until March 15: Westmount
Quebec, Canada

As of March 15: Goring Heath
Oxfordshire, United Kingdom

Director since November 2016
Independent

Obtained 98.97%
of votes FOR by common
shareholders at the
2018 Annual Meeting

Emma K. Griffin has been a director of Aimia Inc., a leading data-driven marketing and loyalty analytics company, since January 2016. In November 2017, Ms. Griffin joined the Board of Directors of Claridge Inc., a private investment company. From December 2015 to November 2018, she was a director and strategic advisor for Golder Associates, a global organization offering environmental services. From January 2014 to June 2015, Ms. Griffin was managing director and co-founder of Refined Selection Limited, a holding company created to invest in the professional services and recruitment industries. From 2002 to 2013, Ms. Griffin was a founding partner of Oriel Securities, a stockbroking firm recognized for its independence and for providing trusted advice, which was sold to Stifel Financial Corp. in the summer of 2014. Until November 2016, Ms. Griffin was also chair of the board of Cancer Research UK's Catalyst Club, a pioneering venture that raises money towards personalized medicine. She holds an M.A. from Oxford University.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	11/11	100%	Aimia Inc.	2016 –
Investment Committee (Chair)	5/5	100%		
Human Resources and Compensation Committee	2/2 ⁽¹⁾	100%		

Areas of expertise	Securities Held	March 13, 2019	March 14, 2018
— Business Areas	Common Shares	-	-
— Corporate Management	DSUs	340	108
— Strategic	iA Insurance Preferred Shares	-	-
— Compliance	Total – Common Shares, DSUs and iA Insurance Preferred Shares	340	108
	Total Market Value – Common Shares, DSUs and iA Insurance Preferred Shares	\$17,384 ⁽²⁾⁽³⁾	\$5,842 ⁽²⁾⁽³⁾
	Minimum Ownership Requirement	\$300,000	\$210,000

⁽¹⁾ Ms. Griffin has been a member of the Human Resources and Compensation Committee since May 10, 2018.

⁽²⁾ From March 14, 2018 to March 13, 2019, Ms. Griffin was in compliance with the five-year time limit for attaining the minimum ownership requirement.

⁽³⁾ As at March 13, 2019, Ms. Griffin was still in compliance with the five-year time limit for attaining the additional minimum ownership requirement following the increase in the annual retainer on October 1, 2018.



Claude Lamoureux

B.A., B. Comm., FSA, ICD.D

Age: 76

Residence: Montreal, Quebec, Canada

Director since May 2010

Independent

Obtained 88.56%
of votes FOR by participating policy
holders at the 2018
Annual Meeting

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

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	11/11	100%	Home Capital Group Inc.	2017 –
Investment Committee	5/5	100%	Technologies Orbite Inc. (formerly Orbite Aluminae inc.)	2013 –
Governance and Ethics Committee	5/5	100%	Maple Leaf Foods Inc.	2008 – 2016
			Atrium Innovations Inc.	2007 – 2014

Areas of expertise	Securities Held	March 13, 2019	March 14, 2018
— Corporate Management	Common Shares	11,000	8,000
— Corporate Governance	DSUs	16,651	13,857
— Financial	iA Insurance Preferred Shares	-	-
— IT	Total – Common Shares, DSUs and iA Insurance Preferred Shares	27,651	21,857
	Total Market Value – Common Shares, DSUs and iA Insurance Preferred Shares	\$1,413,796	\$1,182,245
	Minimum Ownership Requirement	\$300,000	\$210,000



Jacques Martin

B. Comm., LL.B., MBA, IDP-C
Chair of the Board

Age: 63

Residence: Larchmont, New York, U.S.A.

Director since January 2011
Independent

Obtained 98.98%
of votes FOR by common
shareholders at the 2018
Annual Meeting

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

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years
Board of Directors (Chair)	11/11 ⁽¹⁾	100%	N/A
Investment Committee	4/4 ⁽²⁾	100%	
Governance and Ethics Committee (Chair)	3/3 ⁽³⁾	100%	
Human Resources and Compensation Committee	1/1 ⁽⁴⁾	100%	

Areas of expertise	Securities Held	March 13, 2019	March 14, 2018
— Business Areas	Common Shares	6,500	5,500
— Corporate Management	DSUs	-	-
— Financial	iA Insurance Preferred Shares	-	-
— Talent Management	Total – Common Shares, DSUs and iA Insurance Preferred Shares	6,500	5,500
	Total Market Value – Common Shares, DSUs and iA Insurance Preferred Shares	\$332,345 ⁽⁵⁾	\$297,495
	Minimum Ownership Requirement	\$660,000	\$210,000

⁽¹⁾ Mr. Martin has been Chair of the Board of Directors since September 6, 2018.

⁽²⁾ Mr. Martin ceased to be the Chair of the Investment Committee on October 3, 2018.

⁽³⁾ Mr. Martin has been Chair of the Governance and Ethics Committee since October 3, 2018.

⁽⁴⁾ Mr. Martin has been a member of the Human Resources and Compensation Committee since October 3, 2018.

⁽⁵⁾ As at March 13, 2019, Mr. Martin was still in compliance with the five-year time limit for attaining the additional minimum ownership requirement following the increase in the annual retainer on October 1, 2018 and his appointment as Chair of the Board on September 6, 2018.



Monique Mercier

LL. B, MPhil, Ad. E.

Age: 62

Residence: Vancouver,
British Columbia, Canada

New nomination
Independent

During her career of more than 10 years at TELUS, Monique Mercier held various executive roles. From 2014 until she retired in January 2019, she held the position of Executive Vice President, Corporate Affairs and Chief Legal and Governance Officer. She began her career at Stikeman Elliott as a tax lawyer in 1984. She then worked at BCE and Bell Canada International before joining Emergis in 1999, which was acquired by TELUS in 2008. Ms. Mercier holds a degree from the Faculty of Law at Université de Montréal and a master's degree in political science from Oxford University, where she was awarded the prestigious Commonwealth Scholarship. In June 2018, Ms. Mercier received a Lifetime Achievement Award at the Canadian General Counsel Awards. In 2016, she was honoured as Woman of the Year by the organization Women in Communications and Technology (WCT). In 2015, she was inducted into the Hall of Fame of the Women's Executive Network Top 100 Most Powerful Women in Canada. In 2002, she was honoured with the Queen Elizabeth II Golden Jubilee Medal as a Canadian businesswoman who has made exemplary contributions to Canada as a whole. Ms. Mercier serves on the Board of Trustees of the Legal Leaders for Diversity Trust Fund. She sits on the Board of Directors of the Canadian Cancer Research Society and the Board of Directors of the Bank of Canada.

Board/Committee Membership	Attendance	Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	N/A	Innergex Renewable Energy Inc.	2015 –
		Stornoway Diamond Corporation	2011 – 2015

Areas of expertise
— Corporate Management
— Corporate Governance
— Talent Management
— Compliance

Securities Held	March 13, 2019
Common Shares	2,000
DSUs	N/A
iA Insurance Preferred Shares	-
Total – Common Shares, DSUs and iA Insurance Preferred Shares	2,000
Total Market Value – Common Shares, DSUs and iA Insurance Preferred Shares	\$102,260
Minimum Ownership Requirement	N/A



Danielle G. Morin,
FCIA, ICD.D

Age: 63

Residence: Longueuil, Quebec, Canada

Director since May 2014
Independent

Obtained 93.14%
of votes FOR by participating
policyholders at the 2018
Annual Meeting

Danielle G. Morin has more than 35 years of experience in various sectors of the financial services industry. After graduating from Université Laval, 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, 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 been on the boards of the Canadian Institute of Actuaries, ASSURIS and Standard Life Investments Inc. She has also been on the Board of Directors of Université Laval since 2017 and also on the Board of the Fondation de l'Université Laval since 2010. She is a Fellow of the Canadian Institute of Actuaries and graduated from the Institute of Corporate Directors.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years
Board of Directors	11/11	100%	N/A
Audit Committee	6/6	100%	
Governance and Ethics Committee	5/5	100%	

Areas of expertise	Securities Held	March 13, 2019	March 14, 2018
— Business Areas	Common Shares	5,135	4,135
— Corporate Governance	DSUs	2,291	2,220
— Financial	iA Insurance Preferred Shares	-	-
— Compliance	Total – Common Shares, DSUs and iA Insurance Preferred Shares	7,426	6,355
	Total Market Value – Common Shares, DSUs and iA Insurance Preferred Shares	\$379,691	\$343,742
	Minimum Ownership Requirement	\$300,000	\$210,000



Marc Poulin,
MBA, B. Sc.

Age: 57

Residence: Montreal, Quebec, Canada

Director since May 2018
Independent

Obtained 99.95%
of votes FOR by common shareholders
at the 2018 Annual Meeting

Marc Poulin currently serves as a corporate director. Mr. Poulin was a senior-level manager in the food industry in Canada. Over the last 19 years he was at Sobeys Inc., he held, successively, the roles of Vice President, Purchasing and Merchandising, Executive Vice President and Assistant General Manager (Quebec), Head of Operations for Quebec and, from 2012 to 2016, President and Chief Executive Officer. He also served as President and Chief Executive Officer of Empire Company Limited from 2012 to 2016. Prior thereto, Mr. Poulin held the strategic positions of Vice President at Groupe Vie Desjardins-Laurentienne and at Culinar. Mr. Poulin is a member of the Board of Directors of the Montreal Heart Institute Foundation. He is also a director and member of the Audit Committee of Richelieu Hardware Ltd. and a director and member of the Human Resources Committee of Sportscene Group Inc. He holds a bachelor's degree in actuarial science from Université Laval and an MBA from the J.L. Kellogg Graduate School of Management in Evanston (Illinois).

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	8/8 ⁽¹⁾	100%	Sportscene Group Inc.	2018 –
Audit Committee	3/3 ⁽¹⁾	100%	Richelieu Hardware Ltd.	2013 –
Investment Committee	2/3 ⁽¹⁾	67%	Empire Company Limited	2012 – 2016

Areas of expertise	Securities Held	March 13, 2019	March 14, 2018
— Organizational Change Management	Common Shares	4,500	4,500
— Corporate Governance	DSUs	700	N/A
— Talent Management	iA Insurance Preferred Shares	-	-
— Strategic	Total – Common Shares, DSUs and iA Insurance Preferred Shares	5,200	4,500
	Total Market Value – Common Shares, DSUs and iA Insurance Preferred Shares	\$265,876 ⁽²⁾	\$243,405
	Minimum Ownership Requirement	\$300,000	N/A

⁽¹⁾ Mr. Poulin has been a member of the Board of Directors, the Audit Committee and the Investment Committee since May 10, 2018.

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



Denis Ricard,

FSA, FCIA

Age: 57

Residence: Pont-Rouge, Quebec, Canada

Director since September 2018
Non-independent (Management)

Was not a nominee
at the 2018 Annual Meeting

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

Board/Committee Membership	Attendance	Publicly Traded Company Board Membership During Last Five Years
Board of Directors	5/5 ⁽¹⁾ 100%	N/A

Areas of expertise	Securities Held	March 13, 2019
— Business Areas	Common Shares	30,000
— Corporate Management	DSUs	40,344
— Financial	iA Insurance Preferred Shares	-
— Strategic	Total – Common Shares, DSUs and iA Insurance Preferred Shares	70,344
	Total Market Value – Common Shares, DSUs and iA Insurance Preferred Shares	\$3,596,689
	Minimum Ownership Requirement ⁽²⁾	\$2,460,000

⁽¹⁾ Mr. Ricard has been a member of the Board of Directors since September 1, 2018.

⁽²⁾ Mr. Ricard must hold Common Shares, iA Insurance Preferred Shares or DSUs in an amount equivalent to three times his annual base salary, in accordance with the *Executive Share Ownership Policy*.



Louis Têtu

B. Eng.

Age: 54

Residence: Quebec City, Quebec, Canada

Director since May 2016
Independent

Obtained 91.30%
of votes FOR by participating
policyholders
at the 2018 Annual Meeting

Louis Têtu is President, Chief Executive Officer and a member of the Board of Directors of Coveo Solutions Inc., an artificial intelligence research software company. Mr. Têtu co-founded Taleo Corporation, a company that was acquired by Oracle in 2012, and held the position of Chief Executive Officer and Chair of the Board of Directors from the company's inception in 1999 through 2007. Prior to working for Taleo Corporation, Mr. Têtu was president of Baan SCS, an international enterprise resource planning software company. Mr. Têtu is a mechanical engineering graduate from Université Laval and was honoured by the university in 1997 for his outstanding social contributions and business achievements. He received the 2006 Ernst & Young Entrepreneur of The Year award in the Technology and Communication category. Mr. Têtu is also Chair of the Board of PetalMD, a social platform developer for the medical sector, and serves on the boards of the Jean-Lesage International Airport in Quebec City. Mr. Têtu also served on the Board of Directors of l'Entraide Assurance-vie, a mutual insurance company, from 1998 until 2009, when it was acquired by Union Life, a mutual insurance company.

Board/Committee Membership	Attendance		Publicly Traded Company Board Membership During Last Five Years
Board of Directors	11/11	100%	N/A
Governance and Ethics Committee	5/5	100%	

Areas of expertise	Securities Held	March 13, 2019	March 14, 2018
— Corporate Governance	Common Shares	-	-
— Organizational Change Management	DSUs	5,127	3,010
— Talent Management	iA Insurance Preferred Shares	-	-
— IT	Total – Common Shares, DSUs and iA Insurance Preferred Shares	5,127	3,010
	Total Market Value – Common Shares, DSUs and iA Insurance Preferred Shares	\$262,144 ⁽²⁾	\$162,811 ⁽¹⁾
	Minimum Ownership Requirement	\$300,000	\$210,000

⁽¹⁾ As at March 14, 2018, Mr. Têtu was still in compliance with the five-year time limit for attaining the minimum ownership requirement.

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

Board Member Areas of Expertise and Knowledge

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

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

Board Competency Profile	Agathe Côté	Benoit Daignault	Nicolas Darveau- Garneau	Emma K. Griffin	Claude Lamoureux	Jacques Martin	Monique Mercier	Danielle G. Morin	Marc Poulin	Denis Ricard	Louis Têtu
1. Business areas – In-depth knowledge of one or more of the markets in which the Company operates, including financial services, the sale and distribution of financial products and services, wealth management, real estate and international financial markets.											
2. Key competencies - Business experience in one or more of the following areas:											
— Corporate management: Proven track record in corporate management (public companies or large corporations operating in heavily regulated industries).											
— Corporate governance: Proven track record in corporate governance practices of large corporations.											
— Organizational change management: Proven track record in overseeing and coordinating major organizational change or transformation (CEO experience or similar).											

Board Competency Profile

3. Functional expertise - Experience in one or more of the following functions:

- **Financial:** Proven expertise in the finance, accounting, risk management, actuarial, or investment areas.
- **Talent management:** Proven expertise in organizational development, compensation, leadership development, talent management and succession planning.
- **Strategic:** Proven expertise in strategic planning and business development.
- **IT:** Proven expertise in digital strategy, online services, online product development, information management and big data management.
- **Compliance:** Proven expertise in corporate compliance with rules and best practices in heavily regulated industries.

	Agathe Côté	Benoit Daignault	Nicolas Darveau- Garneau	Emma K. Griffin	Claude Lamoureux	Jacques Martin	Monique Mercier	Danielle G. Morin	Marc Poulin	Denis Ricard	Louis Têtu
Financial	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Talent management	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strategic		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
IT			<input type="radio"/>		<input type="radio"/>						<input type="radio"/>
Compliance	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	

Directors' Compensation

Except for the President and Chief Executive Officer, who does not receive any compensation as a director for attending meetings of the Board or its committees, directors receive the compensation set out in the chart on the following page.

Directors' compensation is paid to them in full or in part, at their discretion, in cash or DSUs. A DSU is an accounting entry corresponding to the value of Common Shares credited to an account in the director's name and payable in cash on a specific date after he or she leaves the Board. The choice of compensation method is made by the director and, under the DSU plan, must be made before May 31 of each year. This choice applies to the 12-month period starting on June 1 of that same year and ending on May 31 the following year.

In accordance with the current policy, directors' compensation is analyzed and revised periodically by the Governance and Ethics Committee, which reviews the adequacy and the form of directors' compensation and makes recommendations in this respect to the Board to ensure that such compensation realistically reflects the responsibilities of the directors without compromising their independence.

An in-depth review was performed in 2018. Hugessen Consulting Inc. was retained and assisted the Committee with its analysis. Part of this analysis involved reviewing the compensation of non-executive members of the Board of Directors of the following group of peers (companies of comparable size to the Corporation):

Canadian Western Bank
Laurentian Bank of Canada
National Bank of Canada

CI Financial Corp.
E-L Financial Corporation Limited
Genworth MI Canada Inc.

TMX Group Ltd.
Intact Financial Corporation
IGM Financial Corporation Inc.

Following the analysis and review, a new compensation structure was adopted by the Board of Directors and implemented as of October 1, 2018.

The Board therefore approved the recommendation from the Governance and Ethics Committee to eliminate the attendance fees and replace them with an annual fixed compensation corresponding to the functions exercised by the directors in the various committees.

Our new compensation structure:

- is competitive;
- is simple and easy to administer;
- takes an egalitarian approach between the committees; and
- ensures mobility between the committees.

The following table summarizes the various elements of compensation paid to the Board and Board committee members for 2018:

	From January 1, 2018 to September 30, 2018 (\$)	From October 1, 2018 to December 31, 2018 (\$)
Annual Board Chair Retainer	220,000	220,000
Annual Board Retainer	70,000	100,000
Annual Additional Board Retainer for the Vice-Chair of the Board	25,000	-
Additional Committee Chair Retainer⁽¹⁾		
Audit Committee	15,000	25,000
Investment Committee	15,000	25,000
Human Resources and Compensation Committee	15,000	25,000
Governance and Ethics Committee	15,000	25,000
Additional Committee Member Retainer⁽¹⁾		
Audit Committee	10,000	15,000
Investment Committee	10,000	15,000
Human Resources and Compensation Committee	10,000	15,000
Governance and Ethics Committee	10,000	15,000
Board and Committee Attendance Fees ⁽²⁾	1,500	-
Telephone Attendance Fees	1,000	-
Board or Committee Attendance Fees in the event of more than 2 additional meetings (not planned in the director-approved schedule) per year ⁽²⁾		1,500 in person 1,000 by telephone
Attendance Fees for Special Non-Meetings Mandates upon Chair of the Board Approval	1,500	1,500
Travel Allowance ⁽³⁾	1,000	1,500

(1) The Chair of the Board does not receive this compensation.

(2) If a meeting is spread over two days, an attendance fee shall be paid for each of the days.

(3) Applies to a director who resides outside of the provinces of Quebec and Ontario, to attend one or more Board and/or Board committee meetings in Quebec.

Directors are also entitled to be reimbursed for expenses incurred to attend Board meetings or committee meetings. Directors other than the President and Chief Executive Officer do not receive pension benefits and are not eligible for stock options.

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

The Corporation implemented a group insurance policy that guarantees, at no charge, \$20,000 in life insurance to each independent director in office and \$10,000 in life insurance to each independent director who leaves the Board of Directors after 10 years of service, also at no charge.

The following table shows total compensation paid to the directors by the Corporation for the year ended December 31, 2018:

	Fees ⁽¹⁾ Received in Cash	Fees ⁽¹⁾ Received as DSUs	Percentage in DSUs	Total
	\$	\$	%	\$
Jocelyne Bourgon	0	185,898	100	185,898
Yvon Charest	0	0	0	0
Denyse Chicoyne	0	96,639	100	96,639
Robert Coallier	122,847	30,000	19.6	152,847
Agathe Côté	45,500	69,398	60.4	114,898
Nicolas Darveau-Garneau	7,016	62,917	90	69,933
Emma K. Griffin	105,610	11,734	10	117,344
Michael Hanley	73,444	73,444	50	146,888
Claude Lamoureux	0	121,500	100	121,500
Jacques Martin	191,273	0	0	191,273
Danielle G. Morin	122,000	0	0	122,000
Marc Poulin	41,331	34,750	45.7	76,081
Denis Ricard	0	0	0	0
Mary C. Ritchie	110,250	0	0	110,250
Louis Têtu	0	104,250	100	104,250
Total	819,271	790,530		1,609,801

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

Director Share Ownership Policy

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

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

Corporation Common Share, iA Insurance
Preferred Share or DSU Minimum
Ownership Requirement for independent
Directors

= **3 x** Annual Board
Retainer



















Board Meetings and Board Committee Meetings

The table below indicates the number of meetings held by the Board and its committees in 2018 and directors' overall attendance at these meetings.

	Meetings	Attendance
Board of Directors	11	95%
Audit Committee	6	93%
Human Resources and Compensation Committee	5	91%
Governance and Ethics Committee	5	92%
Investment Committee	5	97%
Number of meetings	32	94%

Composition of the Committees

The table below indicates the composition of the different committees as of March 13, 2019.

	Audit Committee	Human Resources and Compensation Committee	Governance and Ethics Committee	Investment Committee
Robert Coallier		 (Chair)		
Agathe Côté				
Nicolas Darveau-Garneau				
Emma K. Griffin				 (Chair)
Michael Hanley	 (Chair)			
Claude Lamoureux				
Jacques Martin			 (Chair)	
Danielle G. Morin				
Marc Poulin				
Denis Ricard				
Mary C. Ritchie				
Louis Têtu				

Director Attendance at Meetings

The table below presents an attendance record for directors at Board meetings and Board committee meetings.

Name of Director	Board of Directors		Audit Committee		Human Resources and Compensation Committee		Governance and Ethics Committee		Investment Committee		Total
	Number	%	Number	%	Number	%	Number	%	Number	%	
Jocelyne Bourgon	9/11	82	-	-	4/4	100	4/5	80	4/4	100	88
Yvon Charest ⁽¹⁾	6/6	100	-	-	-	-	-	-	-	-	100
Denyse Chicoyne ⁽²⁾	6/7	86	-	-	4/4	100	-	-	4/4	100	93
Robert Coallier	9/11	82	2/3	67	5/5	100	2/3	67	-	-	82
Agathe Côté	11/11	100	3/3	100	-	-	-	-	5/5	100	100
Nicolas Darveau-Garneau ⁽³⁾	8/8	100	-	-	1/2	50	-	-	-	-	90
Emma K. Griffin	11/11	100	-	-	2/2	100	-	-	5/5	100	100
Michael Hanley	10/11	91	5/6	83	4/5	80	-	-	-	-	86
Claude Lamoureux	11/11	100	-	-	-	-	5/5	100	5/5	100	100
Jacques Martin	11/11	100	-	-	1/1	100	3/3	100	4/4	100	100
Danielle G. Morin	11/11	100	6/6	100	-	-	5/5	100	-	-	100
Marc Poulin ⁽⁴⁾	8/8	100	3/3	100	-	-	-	-	2/3	67	93
Denis Ricard ⁽⁵⁾	5/5	100	-	-	-	-	-	-	-	-	100
Mary C. Ritchie	10/11	91	6/6	100	-	-	-	-	-	-	94
Louis Têtu	11/11	100	-	-	-	-	5/5	100	-	-	100
Attendance at Meetings		95		93		91		92		97	94

⁽¹⁾ Mr. Yvon Charest ceased to be a director on September 1, 2018 when he ceased to be President and Chief Executive Officer of iA Insurance.

⁽²⁾ Ms. Denyse Chicoyne ceased to be a director on September 7, 2018.

⁽³⁾ Mr. Darveau-Garneau became a director on May 10, 2018.

⁽⁴⁾ Mr. Poulin became a director on May 10, 2018.

⁽⁵⁾ Mr. Ricard became a director on September 1, 2018 when he succeeded Mr. Yvon Charest and became President and Chief Executive Officer of iA Insurance.

Additional Information

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

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

with the exception of that indicated below:

- (i) Mr. Claude Lamoureux is a Director and the Chairman of Orbite Technologies Inc., which, on April 3, 2017, filed a notice of intention to make a proposal under the provisions of the *Bankruptcy and Insolvency Act* (Canada). Since April 28, 2017, following a court order, the proceedings have continued under the *Companies' Creditors Arrangement Act* (Canada).

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

Governance

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

Our Five Values

Team Work

High
Performance
Environment

Continuous
Improvement

Respect for
Individuals and
Distributors

Service Oriented

Team Work

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

High Performance Environment

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

Continuous Improvement

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

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

Respect for Individuals and Distributors

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

Service Oriented

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

Our Governance Practices

Policies and Code of Business Conduct

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

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

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

Board Independence Policy

Under our *Board Independence Policy*, the Board must be independent of the Corporation's senior management. Accordingly, **all directors are independent, except for Mr. Denis Ricard**, who is the only director with a direct relationship with the Corporation as he acts as President and Chief Executive Officer since September 1, 2018, the date on which he succeeded Mr. Yvon Charest, who announced his retirement.

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

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

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

Disclosure Policy

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

Securities Trading Policy

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

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

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

Integrity and Competency Criteria Assessment Policy

This policy sets out, among other things, the integrity and competency criteria to be met by directors, senior executives and individuals in supervisory positions as well as the method and frequency of assessments that are to be carried out.

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

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

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

Code of Business Conduct

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

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

Our *Code of Business Conduct* is periodically revised and updated. The last review was done in 2017. The *Code of Business Conduct* is available on our website (www.ia.ca) and on SEDAR at www.sedar.com.

Management annually reports to the Governance and Ethics Committee on compliance with the *Code of Business Conduct*. No material change report regarding the conduct of directors or executive officers was required or filed in 2018.

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

Integrity Hotline

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

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

Mandates and Position Descriptions

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

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

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

The mandates of the Board, the committees and the Chair of the Board are available on our website at www.ia.ca. A copy of the mandate of the Board of Directors is also included as an appendix.

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

More specifically, the Chief Executive Officer:

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

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

- Ensures that the Board of Directors operates independently from management;
- Manages the Board of Directors' activities;
- Monitors its effectiveness;
- Acts as Chair of all Board of Directors meetings, including during in-camera sessions, and also at the annual meetings of Common Shareholders.

The Chair of the Board is responsible for the Directors' ongoing education, the continuous board renewal and the setting of standards of performance for Board and committee members. The Chair of the Board ensures that no director participates in the discussion of a subject in which he has a material interest or exercises his voting right on this subject.

The Chairs of Board committees are responsible for the positioning and the effective functioning of their respective committee. They must ensure that their committee performs the tasks described in the committee mandate and that the other responsibilities that the Board may assign are carried out.

The Chairs of the committees are independent directors appointed by the Board on the recommendation of the Chair of the Board, who first consults the Governance and Ethics Committee.

In-camera Meetings

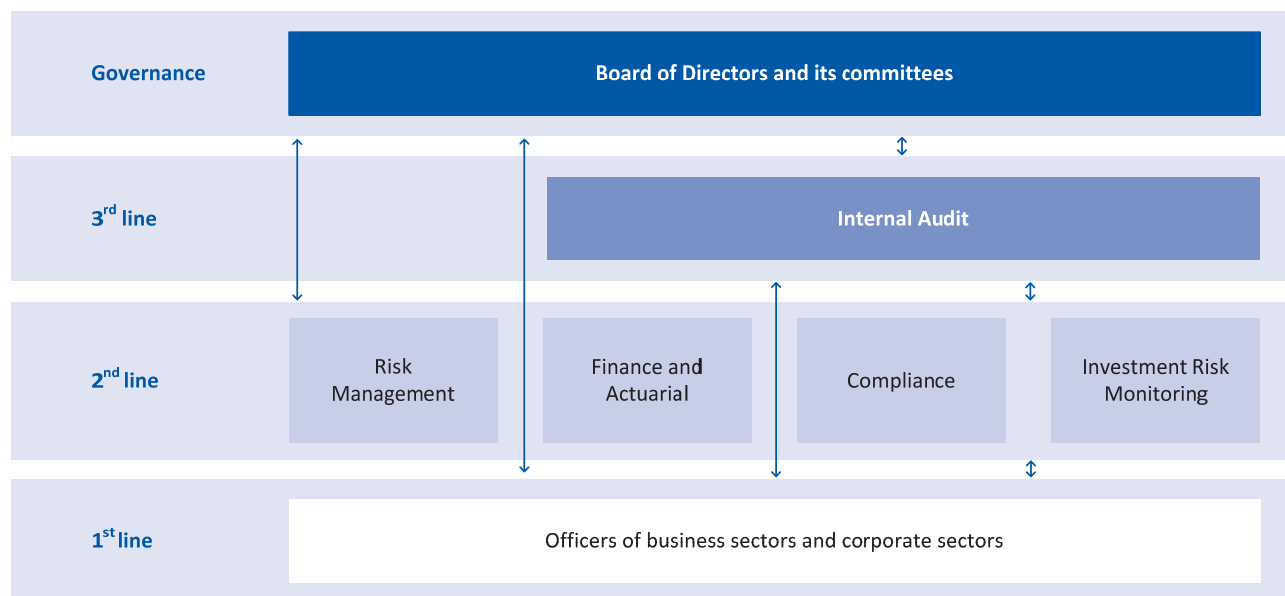
We believe that based on sound governance, and for the purpose of performing their supervisory role in an independent manner, independent directors may freely discuss topics that concern the Corporation.

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

The independent directors systematically hold in-camera sessions at the end of each regular and special Board meeting. The independent directors met in an in-camera session at the end of the 11 Board of Directors' meetings held during the financial year ended December 31, 2018. The Board's committees also met at the end of each regular and special meeting without management being present.

Risk Management

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



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

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

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

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

Finally, the Board relies on Internal Audit, which provides it with objective assurance regarding the effectiveness of the business processes and the risk management exercised by the first two lines of defence.

The 2018 Annual Report, published on our website at www.ia.ca contains a more complete description of the risk management framework.

Sustainable Development

The Corporation Becomes a Signatory to the United Nations PRI

In the first quarter of 2019, the Corporation became a signatory to the United Nations PRI (*Principles for Responsible Investment*) through its subsidiary Industrial Alliance Investment Management Inc. ("iAIM").

In so doing, the portfolio managers of iAIM agree to integrate environmental, social and governance (ESG) criteria in their investment decisions.

It should be clarified that iAIM is responsible for managing the general funds of iA Insurance and the assets of the Corporation's subsidiaries. In that capacity, iAIM manages the portfolios of segregated funds and of mutual funds for the group as a whole.

The mission of PRI is to participate in the creation of an economically sustainable and effective global financial system.

Our Position in Relation to Climate Change

For years, we have been committed to supporting the fight against climate change by proactively reducing our carbon footprint. We have participated in the *Carbon Disclosure Project* on greenhouse gas emissions since 2007.

Climate change is an emerging risk taken into account in our annual strategic planning exercise. Throughout this process, we must analyze whether adjustments or additions to the existing strategies are required to manage the emerging risks that stand out or to benefit from opportunities that may arise.

For example, in the specific case of general insurance, the potential impact of climate change is taken into account in the choice of strategies, product development and tests carried out on the solvency of operations.

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

Our Sustainable Development Policy

In February 2018, the Board of Directors adopted a *Sustainable Development Policy*. It sets forth the following seven core principles:

- Ensure the financial well-being of our clients;
- Carry out integrated risk management;
- Follow high standards of governance;
- Actively contribute to the community;
- Manage the environmental impact;
- Provide a stimulating work environment; and
- Implement responsible procurement.

By adopting this sustainable development policy, the Corporation clearly expresses its commitment to create economic and societal value, as well as its commitment to share with its different stakeholders its sustainable development core principles.

A Sustainable Development Advisory Committee brings together representatives from all sectors of the business activities, the lines of business and the subsidiaries of the Corporation. Its mandate is to create and oversee the initiatives in this area.

Sustainable Development Report

For the complete list of all our initiatives and achievements, consult our 2018 Sustainable Development Report at www.ia.ca (under the About/Sustainable Development tab).

Engagement with Shareholders

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

Board of Directors

- Since the 2009 Annual Meeting, the Board voluntarily asks the Common Shareholders to participate in an advisory vote on executive compensation. The results of this vote for the last three years are shown on the following page.
- Directors make themselves available to meet with investors upon request.

Shareholders who wish to communicate or meet with directors are invited to send us their request in writing at the following address: secretariat_corporatif@ia.ca.

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

Chair of the Board
Industrial Alliance Insurance and Financial Services Inc.
1080 Grande Allée West
Quebec City, Quebec G1S 1C7

Management

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

- The Annual Report and the quarterly reports;
- The Annual Meeting;
- Distribution of press releases concerning the quarterly results and any other topic of interest;
- The Annual Information Circular;
- Quarterly conference calls with the financial analysts, which are accessible to all Shareholders;
- Investor Day, held every two years;
- The Annual Social Responsibility Report (now called the Sustainable Development Report);
- Participation in industry conferences and other events;
- The ia.ca website, particularly the *Investor Relations* section.

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

Shareholders who wish to communicate or meet with the officers are invited to send us their request in writing at the following address: investors@ia.ca.

Results of the advisory vote on executive compensation

Support for the executive compensation policy (%)		
2018 Annual Meeting	→	90.27%
2017 Annual Meeting	→	92.58%
2016 Annual Meeting	→	86.39%

Employment Diversity

Our Ambition as an Employer

To be an employer of choice for a stimulating career.

Our Diversity Guidelines

We make it our duty to provide a work environment that promotes diversity, irrespective of ethnic origin, nationality, mother tongue, religious beliefs, gender, sexual orientation, age, marital status, family situation or physical or intellectual disability.

We offer an inclusive work environment, which fosters team work, respect for the individual and service quality.

In addition, the Corporation provides conditions to help all employees realize their full potential in an environment characterized by high performance and continuous improvement.

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

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

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

It is clear that our approach is gradually paying off. As at December 31, 2018, women represented 45% of middle managers, 31% of vice presidents and 9% of executives, compared to 41%, 16% and 0%, respectively, as at December 31, 2014.

We are very close to achieving parity in terms of female representation among middle managers. This allows us to strive, in the medium term, towards parity for female representation among Vice Presidents.

To achieve this objective, we are promoting the following measures:

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

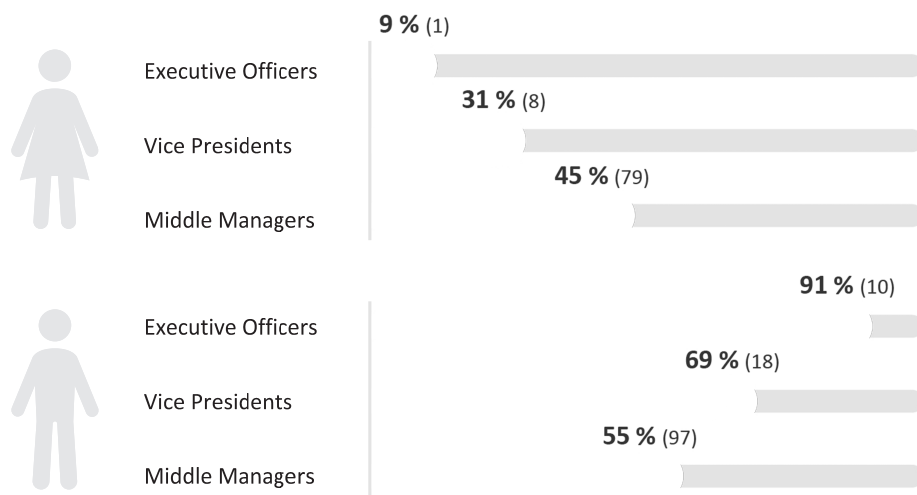
As regards female representation in executive officers, we believe that the efforts we continue to make, as previously described, will enable us to eventually enjoy greater gender diversity.

We also focus on diversity of expertise and knowledge, independent of gender.

We consider diversity as a factor of success and performance to ensure the future of the Corporation. We believe that diversity is not only a matter of gender representation but also refers to the plurality of ideas, opinions, knowledge and competencies.

In 2018, the Corporation's Planning Committee welcomed four new members to better reflect its strategic directions, particularly with respect to the digital shift and client experience.

Gender distribution for the Corporation's various hierarchical levels as at December 31, 2018.



Note: Figures in parentheses indicate the number of individuals.

About the Board of Directors

Mission of the Board

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

Two fundamental components of the Board

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

1

The decision-making function

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

2

The oversight function

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

Succession Planning

One of the Board's responsibilities concerns succession planning. In this capacity, the Board of Directors understands the importance that the Corporation attaches to ensuring a solid continuity of its executive management.

The two appointments that came into effect in 2018 are perfectly in line with this approach:



Denis Ricard was appointed President and Chief Executive Officer to succeed Yvon Charest, who retired. Mr. Ricard took up his position on September 1, 2018. A transition period ensued until the end of 2018. Denis Ricard has 33 years of experience in our group.



Jacques Potvin, whose appointment was announced in 2017, became Executive Vice President, Chief Financial Officer and Chief Actuary on February 16, 2018, succeeding René Chabot, who retired. Mr. Potvin has 28 years of service in our group.

Integration and Orientation Program for New Directors

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

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

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

Continuing Education

In 2018, directors participated in information sessions on the topics outlined below:

Continuing Education for Directors for the Financial Year Ended December 31, 2018

Date	Subject	Participants
February 2018	Socially Responsible Investing	Investment Committee
February 2018	Quantitative Management	Investment Committee
April 2018	Impact of CARLI	Audit Committee
August 2018	Monetary Policies and Financial Markets	Investment Committee
August 2018	Trends in Director Compensation (external expert)	Governance and Ethics Committee
October 2018	Strategic Planning	Board of Directors
October 2018	Digital Transformation	Board of Directors
October 2018	Hedging Risk Awareness	Audit Committee
November 2018	Monetary Policies – Prospects and Impacts on the Markets	Investment Committee

Evaluation of the Board

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

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

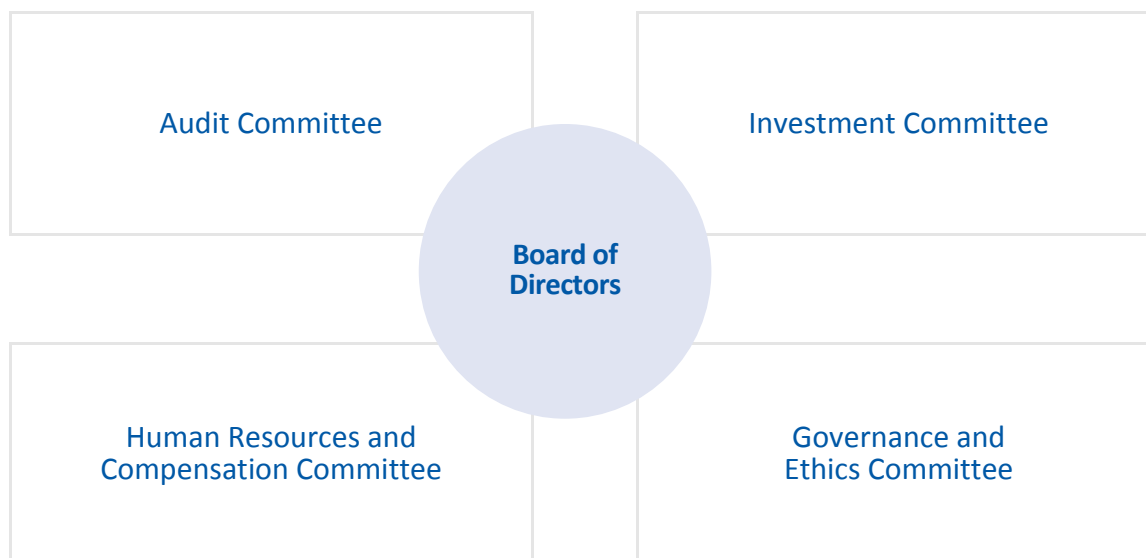
- the quality of the information and the timely support provided by management;
- the diversity of perspectives and the quality of the directors' input to enable the Board to completely fulfill its supervisory and strategic advisory role;
- the leadership of the Chair of the Board and of the President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

Evaluation process

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

Committee Reports

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



The Board may also create special committees to address its needs when the situation so requires. In this regard, in 2018, as part of the implementation of the succession plan for the President and Chief Executive Officer underway for a few years, the Board created a special committee to support it in its responsibility of appointing a new President and Chief Executive Officer in view of Mr. Yvon Charest's retirement. Once its analysis was completed, the Special Committee recommended the nomination of Mr. Denis Ricard, who became President and Chief Executive Officer on September 1, 2018.

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

The committees are responsible for reviewing the aspects provided in their mandates and reporting thereon to the Board of Directors. Each committee chair reports to the Board, after each committee meeting that he or she presides over, on the deliberations and recommendations necessary for approval by the Board.

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

In 2018, the Human Resources and Compensation Committee engaged the services of Hugessen Consulting Inc. to review the compliance of certain components of executive compensation. This committee also engaged the services of Towers Watson Canada Inc. to review certain components of executive compensation.

The Governance and Ethics Committee engaged the services of Hugessen Consulting Inc. to review Board members' compensation structure.

	2018	2017
Hugessen Consulting Inc.		
Fees relating to the compensation of executive officers	\$79,879	\$96,266
Fees relating to the compensation of Board members	\$18,910	-
Towers Watson Canada Inc.		
Fees relating to the compensation of executive officers	\$22,638	-

Audit Committee

The Audit Committee's mandate is to assist the Board in its responsibility of overseeing the financial controls and the Corporation's compliance with its financial covenants and legal and regulatory requirements governing matters of financial disclosure.

The Audit Committee currently comprises the following five people:



Michael
Hanley (Chair)

Agathe
Côté

Danielle G.
Morin

Marc
Poulin

Mary C.
Ritchie

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 backgrounds necessary to fulfill the Committee's mandate. Each of its members has the financial literacy within the meaning of audit committee rules adopted by the Canadian Securities Administrators. The members of the Committee have acquired the necessary knowledge and experience to fulfill their duties as members of the Committee, having served as chief executive officers, chief financial officers, executive officers, or directors of other corporations or through their academic backgrounds.

Meetings:

- During the last fiscal year, the Audit Committee held six meetings.
- At each meeting, the Committee met without management being present.
- At each meeting, the Committee met separately, without management being present, with the Executive Vice President, Chief Financial Officer and Chief Actuary, the external auditor and the internal auditor.
- The Committee met on at least one occasion in 2018, without management being present, with the President and Chief Executive Officer, the Vice President and Chief Risk Officer and Chief Compliance Officer.

2018 Accomplishments

In the 2018 fiscal year, the Audit Committee:

Financial reporting responsibilities	Responsibilities related to the internal auditor
<ul style="list-style-type: none"> ✓ Reviewed the interim and annual financial statements and Management's Discussion and Analysis and press releases and recommended their approval to the Board. ✓ Approved the publication of the Annual Information Form. 	<ul style="list-style-type: none"> ✓ Reviewed internal auditor reports. ✓ Approved the internal audit mandate. ✓ Reviewed the internal auditor report on reports of fraud. ✓ Oversaw the activities of the internal auditor. ✓ Reviewed the performance of the internal auditor. ✓ Approved the internal audit charter. ✓ Approved the audit plan.
Responsibilities related to disclosure controls and procedures, internal control and risk management	Responsibilities related to the external auditor
<ul style="list-style-type: none"> ✓ Monitored the adequacy of internal controls. ✓ Ensured that adequate audit procedures were in place to publicly disclose the Corporation's financial information. ✓ Reviewed correspondence exchanged with regulatory authorities and followed up on commitments with regard to these authorities. ✓ Reviewed litigation reports. ✓ Recommended that the Board approve the Corporation's <i>Risk Management Policy Regarding Fraud and Other Practices Associated with Financial Crime</i>. ✓ Reviewed the semi-annual regulatory and operational risk management reports. ✓ Reviewed the annual report on the anti-money laundering/anti-terrorist financing program. ✓ Reviewed the annual report on insurance coverage. ✓ Recommended that the Board approve the <i>Disclosure Policy</i>. ✓ Recommended that the Board approve the <i>Securities Trading Policy</i>. 	<ul style="list-style-type: none"> ✓ Recommended the appointment of the external auditor. ✓ Approved the external audit plan. ✓ Reviewed the performance and the quality of the external audit and discussed the results with the external auditors. ✓ Reviewed the independence of the external auditor. ✓ Reviewed and approved the services provided by the external auditor and its fees. ✓ Reviewed external auditor reports.
Other responsibilities	
<ul style="list-style-type: none"> ✓ Ensured coordination between the internal and external audits. ✓ Examined, in conjunction with the Corporation's legal department, any legal question that could have a material impact on the Corporation's financial statements. 	

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

The Committee believes that it fulfilled its mandate for the year ended December 31, 2018.

Additional information on the Audit Committee can be found in the section entitled "Information to be provided on the Audit Committee" of the *Annual Information Form* filed with the Canadian Securities Administrators, which can be found on the SEDAR website at www.sedar.com.

Presented on behalf of the Committee
Michael Hanley, Chair

Investment Committee

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

The Investment Committee currently comprises the following four people:



Emma K.
Griffin (Chair since
October 2018)

Agathe
Côté

Claude
Lamoureux

Marc
Poulin

The Committee is composed entirely of independent directors.

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

Meetings:

- During the last fiscal year, the Investment Committee held five meetings.
- At each meeting, the Committee met without management being present.
- At each meeting, the Committee met, without management being present, with the Executive Vice President, Chief Investment Officer.

2018 Accomplishments

In the 2018 fiscal year, the Investment Committee:

Supervision of investments	Investment compliance
<ul style="list-style-type: none">✓ Reviewed different reports on investment strategies.✓ Reviewed different management reports on the valuation and nature of investments.✓ Reviewed different reports on the quality of portfolios and the investments that are at risk or that are being monitored.✓ Recommended that the Board approve the <i>Investment Policy</i>.✓ Approved or recommended the investments for which approval by the Investment Committee or by the Board was required in accordance with the <i>Investment Policy</i>.	<ul style="list-style-type: none">✓ Reviewed reports on the compliance of the investments with the <i>Investment Policy</i>.
	Investment risk management
	<ul style="list-style-type: none">✓ Reviewed different management reports on investment risk management.
	Other responsibilities
	<ul style="list-style-type: none">✓ Recommended that the Board approve the Mandate of the Investment Committee.

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

Each year, the Investment Committee provides training sessions within its meetings.

The Committee believes that it fulfilled its mandate for the year ended December 31, 2018.

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

Human Resources and Compensation Committee

The Human Resources and Compensation Committee's mandate is to oversee the Company's management appointments, compensation, assessment and renewal, as well as the human resources policy framework, in accordance with the Corporation's strategic direction.

The Human Resources and Compensation Committee currently comprises the following five people:



Robert
Coallier (Chair)



Nicolas
Darveau-
Garneau



Emma K.
Griffin



Michael
Hanley



Jacques
Martin

The Committee is composed entirely of independent directors.

The Board believes that the members of the Human Resources and Compensation Committee all possess experience in the area of executive compensation, either as past CEOs of publicly traded companies or as executives, and that they possess the combined knowledge, experience and backgrounds necessary to fulfill the Committee's mandate.

Meetings:

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

2018 Accomplishments

In the 2018 fiscal year, the Human Resources and Compensation Committee:

Appointment of executive officers

- ✓ Recommended to the Board the required competency criteria for the position of Vice President, Internal Audit.

Compensation of employees, management and executives

- ✓ Approved the 2018 objectives of the annual bonus plan for employees, management and executives.
- ✓ Recommended to the Board the payment of the annual bonus to employees, management and executives.
- ✓ Approved the payment of PSUs at the end of the 2015-2017 three-year cycle.
- ✓ Approved the grants of PSUs at the end of the 2018-2020 three-year cycle.
- ✓ Approved the base salaries for executives for 2018.
- ✓ Approved the granting of options.
- ✓ Reviewed the compliance, financial position and evolution of the Corporation's pension plans.
- ✓ Approved the disclosure concerning compensation in this Circular.
- ✓ Approved the 2019 salary structure.

Evaluation of the President and Chief Executive Officer

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

Succession planning

- ✓ Reviewed the emergency plan to replace, in case of immediate need, certain executives, including the President and Chief Executive Officer and the Chief Financial Officer.

Compensation risk management

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

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

The Committee believes that it fulfilled its mandate for the year ended December 31, 2018.

Presented on behalf of the Committee
Robert Coallier, Chair

Governance and Ethics Committee

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

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



Jacques
Martin (Chair
since Oct. 2018)

Robert
Coallier

Claude
Lamoureux

Danielle
G. Morin

Louis
Têtu

The Committee is composed entirely of independent directors.

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

Meetings:

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

2018 Accomplishments

Governance-related Responsibilities

In the 2018 fiscal year, the Governance and Ethics Committee:

Governance framework and policies

- ✓ Approved the disclosure regarding governance in this Circular.
- ✓ Recommended that the Board approve the *Variable Compensation Recoupment (Clawback) Policy*.
- ✓ Recommended that the Board approve the *Sustainable Development Policy*.
- ✓ Reviewed the subsidiaries' governance structure.
- ✓ Reviewed the governance framework for acquisitions.

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

- ✓ Reviewed the evaluation process and evaluated the performance of the Board of Directors, its committees and the Chairs of each committee.
- ✓ Reviewed the results of the evaluation of the performance of the Board of Directors, its committees and the Chairs of each committee.
- ✓ Reviewed the peer evaluation and Board members' self-assessment process.
- ✓ Reviewed the results of the peer evaluation and of the Board members' self-assessment.

Board composition and renewal

- ✓ Recommended that the Board approve the composition of the different committees of the Board of Directors and appoint the Chairs thereof.
- ✓ Reviewed the composition and renewal of the Board and the desired profile in terms of expertise, knowledge and diversity.
- ✓ Reviewed the recruiting process for new director candidates.

Director training

- ✓ Reviewed the orientation program for new directors.
- ✓ Examined the continuing education process for directors.

Director compensation

- ✓ Retained the services of a consultant to review director compensation.
- ✓ Recommended the amendment of the director compensation structure.

2018 Accomplishments

Ethics-related Responsibilities

In the 2018 fiscal year, the Governance and Ethics Committee:

Rules of conduct for directors and officers

- ✓ Reviewed the annual report on conflicts of interest and compliance with the *Code of Business Conduct*.
- ✓ Approved the annual report of the Governance and Ethics Committee for the Autorité des marchés financiers.
- ✓ Reviewed the semi-annual reports on the Integrity Hotline.

Privacy

- ✓ Reviewed the annual report on privacy.
- ✓ Recommended that the Board adopt the *Privacy Policy*.

Transactions with restricted parties

- ✓ Reviewed the annual report on transactions with restricted parties.

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

The Committee believes that it fulfilled its mandate for the year ended December 31, 2018.

Presented on behalf of the Committee
Jacques Martin, Chair

Executive Compensation

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

Message to Shareholders

Dear Shareholders,

The Human Resources and Compensation Committee is working conscientiously to ensure that the executive compensation program harmonizes compensation with the Corporation's performance, achievement of the Corporation's long-term objectives and ultimately, enhanced long-term value for Shareholders, while respecting the Corporation's risk tolerance. A significant part of executive compensation is variable or "performance based" in order to ensure a direct alignment with Shareholder interests.

We will remain focused on ensuring executive compensation that is competitive, weighted and fair.

Open dialogue

Over the past few years, we met with many Shareholders on governance matters. These consultations were productive and fostered candid, positive discussions on the compensation of senior officers.

The reasonable nature of executive compensation was recognized by all the Shareholders who were met with. We are committed to pursuing our dialogue with our Shareholders in this regard.

Compensation policies

These consultations also confirmed the rationale behind certain policies that have been in effect for several years and encouraged constructive recommendations to be made to better orient incentive compensation.

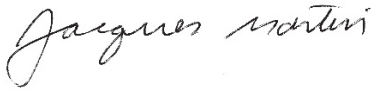
We engaged the services of a specialized consulting firm to analyse the executive compensation structure in order, among other elements, to review the Mid-Term Incentive Plan.

We are maintaining the status quo on the following:

- the annual bonus plan will continue to contain a profit trigger whereby a bonus is not paid if profits do not meet a minimum threshold;
- neither the Human Resources and Compensation Committee nor the Board of Directors shall have the discretionary power to adjust executive compensation upwards to deal with special cases;
- 25% of the bonus of the Mid-Term Incentive Plan will be based on the total Shareholder return of the Corporation over a three-year period in relation to the Comparator Group; and
- the number of stock options granted annually will be independent of the market price of iA Financial Corporation Common Shares.

Compensation of the President and Chief Executive Officer

We are determined to ensure that our compensation policies and programs maintain a close connection between the compensation paid, the Corporation's financial performance and the shareholder return. We will continue to listen to our Shareholders and show open-mindedness and sound judgment.



Jacques Martin,
Chair of the Board



Robert Coallier,
Chair of the Human Resources and
Compensation Committee

Compensation Analysis

The mandate of the Human Resources and Compensation Committee is to recommend to the Board the compensation strategy and to annually revise the compensation policies concerning employees, executive officers and the President and Chief Executive Officer. The Committee has therefore structured the executive compensation program and policies for the purpose of supporting the Corporation's vision and strategic priorities.

We believe that iA Financial Corporation's success in achieving its objectives depends on our team's commitment and performance and that executive compensation is a tool that plays an important role in our success and in the increase in shareholder value.

The following analysis provides a description and brief explanation of the executive compensation program and each of its components.

Decision-making Process

Our decision-making process involves management, the Human Resources and Compensation Committee and the advice of external compensation advisors and must be approved by the Board.

Executive officers' salary and bonus conditions are established according to a comparison with the compensation that is payable in the financial services industry in Canada. The objectives of each Named Executive Officer are established at the beginning of the year. The Human Resources and Compensation Committee evaluates the performance of the President and Chief Executive Officer according to his objectives and after consultation with members of the Board. The President and Chief Executive Officer evaluates the performance of the other Named Executive Officers.

Comparator Groups

The Human Resources and Compensation Committee annually evaluates our compensation program's positioning in the market. The evaluation is performed using a comparator group that serves as a reference group. The comparator group comprises companies in the financial industry, excluding the five major banks, selected on the basis of earnings, net income and market capitalization.

The following companies are included in our comparator group:

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

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

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

For fiscal year 2018, the Named Executive Officers are:

Denis Ricard

President and Chief Executive Officer

Yvon Charest

President and Chief Executive Officer (retired)

Jacques Potvin

Executive Vice President, Chief Financial Officer and Chief Actuary

René Chabot

Executive Vice President, Chief Financial Officer and Chief Actuary (retired)

Normand Pépin

Executive Vice President and Assistant to the President

Michel Tremblay

Executive Vice President and Chief Investment Officer (expected to retire on May 31, 2019)

Carl Mustos

Executive Vice President, Wealth Management, and President, iA Clarington Investments Inc.

Furthermore, to evaluate the performance of our Mid-Term Incentive Plan, we use a comparator group composed of companies chosen by taking into account the business segments (insurance or wealth management) and market capitalization (the companies must be listed on a stock exchange). It also includes a certain number of American insurance companies to reflect our growing U.S. presence.

The following companies are included in the reference group:

Laurentian Bank of Canada National Bank of Canada Canadian Western Bank CI Financial Corp. Element Fleet Management Corp. Fairfax Financial Holdings Limited	Sun Life Financial Inc. Genworth MI Canada Inc. Great-West Lifeco Inc. TMX Group Limited Home Capital Group Inc. Intact Financial Corporation	Lincoln National Corporation Principal Financial Group Inc. IGM Financial Corporation Inc. Manulife Financial Corporation Torchmark Corporation Unum Group
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Recoupment (Clawback) Policy

If iA Financial Corporation's financial statements have to be restated by reason of gross negligence, wilful misconduct or fraud by an executive officer, the Board or the Governance and Ethics Committee may, at its sole discretion, require the executive officer to reimburse or cancel a portion or all of the variable compensation paid or vested or awarded to him or her in the past twelve months (annual bonus, DSUs, PSUs and stock options).

In addition, the Board of Directors or the Governance and Ethics Committee may require the reimbursement or cancellation of a part or all of the variable compensation paid to, granted to or acquired by the President and Chief Executive Officer and the Executive Vice President, Chief Financial Officer and Chief Actuary over the past 12 months, following his voluntarily deceptive conduct or gross negligence having resulted or being reasonably likely to result in negative economic consequences for the Corporation or harm the Corporation's reputation regardless of whether iA Financial Corporation's financial statements must be restated.

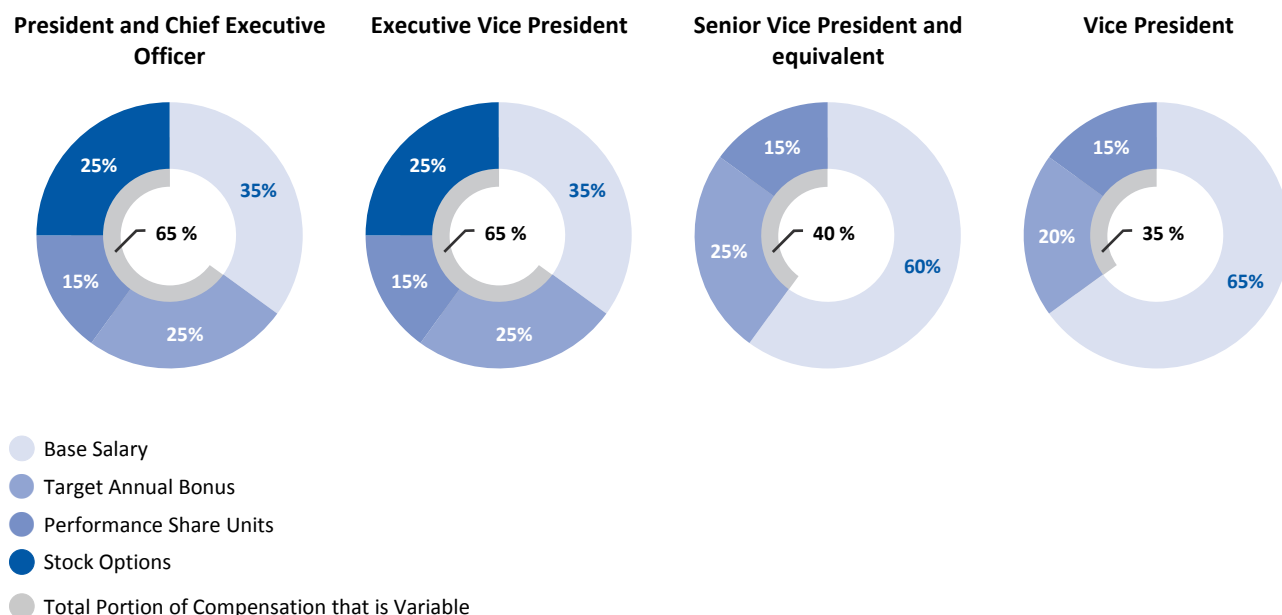
Compensation Components

The following table summarizes each of the five components of the executive compensation program for the fiscal year ended December 31, 2018:

Compensation Component		Form	Compensation Period	Basis of Determination	Objective
Direct Compensation					
Fixed	Base Salary	Cash	1 year	Based on reference market, individual performance, and internal equity. Reflects level of responsibility, skills and experience.	Retention and equity
Variable	Annual Incentive Plan – Annual Bonus	Cash	1 year	Based on reference market. Actual award based on combination of Corporation, divisional and individual performance.	Retention and differentiation
		Deferred Share Units (DSU)	Until executive retires or leaves the Corporation	Possibility for executives to defer some or all of their annual bonus in DSUs. DSUs redeemable for cash only upon termination of employment, retirement or death. Payment taking into account the reinvestment of notional dividends over the life of the DSUs and the fair market value of the Common Shares at the time of redemption.	Recognize executives' contribution to and involvement in the Corporation's results
Variable	Mid-Term Incentive Plan	Performance Share Units (PSU)	3 years	Awarded annually, based on individual performance and Corporation performance. Final payout value based on the Common Share price on the date of vesting and the level of performance achieved by the Corporation.	Align the efforts of the management team toward the achievement of ambitious financial performance objectives
Variable	Long-Term Incentive Plan	Stock options	10 years, with 25% vesting per year over 4 years starting 1 year after the grant date	Awarded annually, based on individual performance and Corporation performance. Final payout value based on the difference between the Common Share price on the date of the grant and the date of exercise. Brings compensation of Corporation executives in line with increased Common Shareholder value.	Long-term retention and differentiation
Indirect Compensation					
Pension and Benefits plan		Group life and health insurance program and pension plan	Ongoing	Based on the reference market.	Employee engagement

The components of the compensation vary according to the level of the executive. A significant proportion of total compensation is at risk to ensure alignment with the interests of iA Financial Corporation Common Shareholders and other key stakeholders. Payments made under the variable compensation plans depend on the ability of the executive to influence short- and long-term business results and the level of the executive.

The following table illustrates the breakdown of total direct compensation for the following four components: base salary, annual bonus, Mid-Term Incentive Plan and Long-Term Incentive Plan. Retirement and employment benefits plans are not included.



Base Salary

Base salary compensates employees for the role they perform in the Corporation. Base salaries and salary ranges, including the minimum, midpoint and maximum, are benchmarked against comparable roles in companies of its reference market and internally against similar roles. Base salaries for all employees are reviewed annually and adjusted, as appropriate, based on individual performance, competencies, responsibilities, and competitive market data.



The Human Resources and Compensation Committee reviews and recommends to the Board of Directors:

- increases in base salary for the President and Chief Executive Officer;
- following the recommendations made by the President and Chief Executive Officer, salary increases of executive officers and the aggregate salary increase for all other staff members.

Annual Incentive Plan – Annual Bonus

The annual bonus plan rewards executive officers for achieving short-term strategic and operational goals. It encourages the attainment of superior results based on the achievement of pre-established annual objectives that the Corporation, sectors and individuals must accomplish.

The plan's objectives are as follows:

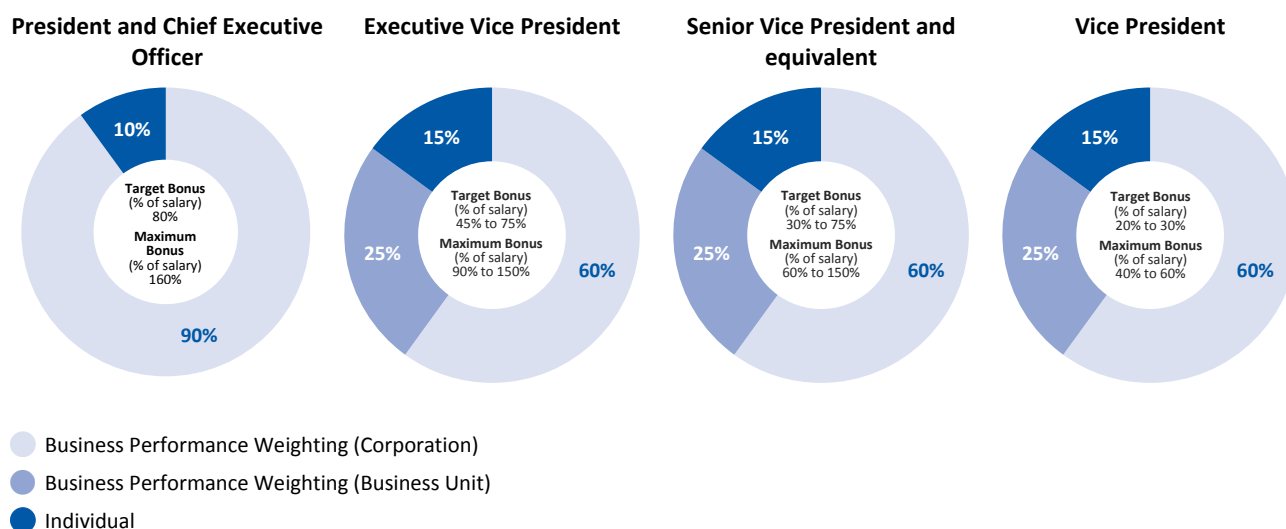
- Promote our mission among executives;
- Foster superior overall performance in terms of the Corporation's goals;
- Encourage higher productivity;
- Recognize executive contributions to, and involvement in, attaining our goals; and
- Offer compensation that favourably positions us within our reference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

The annual bonus plan is based on five key performance indicators:

Indicator	Indicator Justification
Return on Equity	Alignment with the interests of Common Shareholders
New Business	Support our growth objectives
Cost Control	Encourage sound management of expenses
Divisional Objectives	Align objectives of each division with our business plan
Individual Component	Promote strategic leadership by senior management

The target bonuses vary as a percentage of base salary and are based on median incentive targets of companies from the comparator group. Target bonuses for all levels are reviewed annually to ensure ongoing market competitiveness. The minimum award under the bonus plan is zero when the performance of the Corporation, the division and/or individual is below minimum performance thresholds. The maximum bonus available for exceeding individual performance objectives is based on our business plan for the fiscal year and is intended to be challenging but achievable.

The typical weighting for the 2018 annual bonus was as follows:



The target bonus is based on four objectives:

1

The achievement of profitability objectives

2

Business development

3

Cost control

4

Criteria specific to each Named Executive Officer such as division goals and individual measures

The specific criteria for the President and Chief Executive Officer are evaluated by the members of the Human Resources and Compensation Committee. The specific criteria for the other Named Executive Officers are evaluated by the President and Chief Executive Officer. The weighting for the 2018 annual bonus for each Named Executive Officer was as follows:

Named Executive Officer	Target Bonus	Business Performance Rating		
		Corporation	Business Unit	Individual
	% of salary	%	%	%
Denis Ricard	76.66	90	-	10
Yvon Charest ⁽¹⁾	80	90	-	10
Jacques Potvin	49.16	30	55	15
René Chabot ⁽²⁾	36	100	-	-
Normand Pépin	75	75	10	15
Michel Tremblay	75	50	35	15
Carl Mustos	65	20	65	15

⁽¹⁾ Yvon Charest ceased to be President and Chief Executive Officer on September 1, 2018 and retired on January 1, 2019.

⁽²⁾ René Chabot ceased to be Chief Financial Officer and Chief Actuary on February 15, 2018 and retired on April 1, 2018. Jacques Potvin took over and is now executive Vice President, Chief Financial Officer and Chief Actuary.

The target bonus objectives represent challenging but achievable objectives and are consistent with the overall strategy. They are stress tested through modeling of various performance scenarios to ensure that potential payouts are aligned with the corporate strategy.

The target bonus is paid when the financial results are in line with the business plan and the qualitative evaluation fully meets expectations. For each objective, the bonus paid may vary between 50% and 200% of the target bonus based on pre-established minimums and maximums.

Payment of the bonus is conditionnal upon the attainment of a profit trigger:



The bonus is reduced if the profit is lower than 80% of the budget for the years.



No bonus is payable if the profit is below 70% of the budget.

The determination of objectives for purposes of the bonus plan takes into account the business plan approved by the Board, as well as the objectives communicated to the financial markets. The 2018 objectives were as follows:

	Minimum	Target	Maximum
Return on Equity	9 %	11.7%	12.5%
New Business ⁽¹⁾	2017 sales	Budget	Industry + 5%
Cost Controls ⁽¹⁾	103% of budget	Budget	94% of budget

⁽¹⁾ The amounts of the individual objectives of each executive officer pertaining to new business and cost control constitute confidential information whose disclosure could greatly harm the Corporation's interests. Disclosure of these amounts and quantitative results would provide highly confidential data to the Corporation's competitors, as well as key strategic information that is not publicly known and could influence the markets in an inappropriate manner. These amounts are therefore not disclosed directly, but as percentages.

Deferred Share Units (DSUs)

Executives can elect to convert a portion or all of their annual bonus to DSUs. The executive makes the election under the DSU Plan prior to May 31 of the calendar year during which the annual bonus is earned. When incentive awards are determined, the amount elected is converted into DSUs that have a value equal to the average closing price of a Common Share on the Toronto Stock Exchange for the five trading days preceding the date of conversion. DSUs accrue notional dividends and are payable in cash only upon termination of employment, retirement or death.

Mid-Term Incentive Plan (PSUs)

Executives are eligible for a Mid-Term Incentive Plan based on PSUs. The awarding of PSUs is determined by the Human Resources and Compensation Committee upon recommendation of the President and Chief Executive Officer (unless it is in fact his own PSUs).

The objectives of this plan are as follows:

- Reinforce the compensation philosophy based on the Corporation's performance by rewarding those who successfully execute its business strategy and achieve key objectives;
- Ensure that the interests of the executives are aligned with those of the Common Shareholders;
- Measure mid-term performance as a complement to the measurement of annual performance under the short-term incentive plan and the measurement of long-term performance under the iA Financial Corporation Stock Option Plan; and
- Offer competitive compensation for the purposes of attracting and retaining talented executives.

For information on the achievement of these objectives, refer to the section "Payment of PSU Awards" from 2016.

Each PSU award is vested based on a performance cycle of three fiscal years beginning on January 1 the year it is granted and ending on December 31 of the third year.

Vesting is therefore subject to a three-year period and a performance factor. The value of each PSU awarded is equal to the arithmetical average of the weighted average prices of our Common Shares (listed on the Toronto Stock Exchange under the ticker symbol IAG) for the first 20 trading days of the reference period.

Since 2016, vesting of PSUs has been based on a two-component performance factor: 25% based on total Common Shareholder return compared to the target group and 75% based on the Corporation's net income performance over three years. The total net income target is set annually with a view to each PSU award.

The following table presents, for the last three fiscal years, the PSUs awarded, the target to be reached in order to determine the actual number of PSUs that will be awarded at the end of the reference period and the vesting schedule.

3-Year Target (reference period)	Number of PSUs Awarded	Number of PSUs outstanding as at December 31, 2018 ⁽¹⁾	Performance Level	Net Income Performance Scale	Total Common Shareholder Return Percentile rank of relative TSR	Vesting
2018-2020	36,787	36,588	Maximum or above	\$2,050 million	1 to 35	150%
				\$1,975 million	36 to 45	125%
			Target	\$1,900 million	46 to 55	100%
				\$1,550 million	56 to 65	75%
			Threshold	\$1,400 million	66 to 75	50%
			Under threshold	N/A	N/A	0%
2017-2019	19,261	17,798	Maximum or above	\$1,850 million	1 to 35	150%
				\$1,775 million	36 to 45	125%
			Target	\$1,700 million	46 to 55	100%
				\$1,450 million	56 to 65	75%
			Threshold	\$1,300 million	66 to 75	50%
			Under threshold	N/A	N/A	0%
2016-2018	25,953	23,739	Maximum or above	\$1,600 million	1 to 35	150%
				\$1,525 million	36 to 45	125%
			Target	\$1,450 million	46 to 55	100%
				\$1,300 million	56 to 65	75%
			Threshold	\$1,150 million	66 to 75	50%
			Under threshold	N/A	N/A	0%

⁽¹⁾ An amount equivalent to the dividends paid on the Common Shares is converted into additional PSUs. This column indicates the number of PSUs initially granted plus an additional number of PSUs granted as dividends.

The payout value of each vested PSU at the end of the performance period is equal to the arithmetic average of the weighted average prices of the Corporation's Common Shares for the last 20 trading days of that period.

Long-Term Incentive Plan (Stock Option Plan)

We have set up an iA Financial Corporation Stock Option Plan for officers and full-time employees or other service providers of the Corporation and its subsidiaries who are designated from time to time by the Board of Directors or by any committee of the Board having authority in this regard.

- Since the adoption of the iA Financial Corporation Stock Option Plan, 11,350,000 options have been reserved for awards under the Plan, or 10.59% of the outstanding Common Shares.
- Excluding options that were cancelled, a total of 9,136,483 options were granted by the Human Resources and Compensation Committee pursuant to the Plan and 2,875,333 were outstanding as at December 31, 2018, representing 8.41% and 2.65% of the outstanding Common Shares as at December 31.
- During the fiscal year ended December 31, 2018, we granted 311,333 options, representing approximately 0.29% of the total Common Shares issued and outstanding as at that date.
- As at December 31, 2018, a total of 2,213,517 stock options remained issuable under the Plan, representing 2.04% of the outstanding Common Shares.

The Stock Option Plan of iA Financial Corporation allows the Human Resources and Compensation Committee to grant stock options to the Corporation's executives as part of their long-term compensation.

The goals of the iA Financial Corporation Stock Option Plan are to:

- Make available to the Corporation a share-based plan for attracting, retaining and motivating executives whose skills, performance and loyalty towards the Corporation and certain subsidiaries are essential to their success, image, reputation, and operations;
- Foster the development and successfully implement the Corporation's continued growth strategy;
- Link a part of executive compensation with the creation of economic value for the Common Shareholders; and
- Support the compensation structure designed to compensate executive officers based on performance.

Awards are approved by the Human Resources and Compensation Committee after considering the recommendation of the President and Chief Executive Officer (except in the case of his own options).

At the time of the award, the Human Resources and Compensation Committee determines the number of Common Shares underlying the options, the exercise price, the expiry date of the option, and the date from which it may be exercised.

The number of options is based on the expected impact of the employee on the Corporation's performance and strategic development as well as on a comparative analysis of the reference market. When new stock options are granted, prior awards are not taken into consideration as the awards are designed to encourage superior performance for the current year and align long-term interests of the officers with those of the Common Shareholders.

It is generally expected that the committee will grant options on a yearly basis in the month of February. The number of options granted annually to each of the Named Executive Officers is based on the participant's compensation, potential, reporting level and participation in our results. No option may be granted for a term of more than 10 years, and the exercise price of each option is equal to the weighted average price of the Common Shares traded on the Toronto Stock Exchange during the five trading days immediately preceding the day on which the option is granted.

In addition, the iA Financial Corporation Stock Option Plan provides that the maximum number of Common Shares that may be reserved for issuance to any one person pursuant to the exercise of stock options granted under the Plan or pursuant to any other share compensation arrangement may not exceed 1.4% of the issued and outstanding shares at the time of the grant.

Also, the Plan provides that the total number of Common Shares that may be issued to insiders at any time pursuant to the exercise of stock options granted under the Plan and any other share compensation arrangements may not, without the approval of the Common Shareholders, exceed 10% of the outstanding issue.

It is also stipulated that the number of shares issued under the Plan and any other share compensation arrangements in a one-year period shall not exceed 10% of the outstanding Common Shares in the case of insiders, or 1.4% of the outstanding issue in the case of shares issued to any one insider and that insider's associates.



Unless otherwise indicated by the Human Resources and Compensation Committee, at the time of grant, options may be exercised in whole or in part at any time, provided that:

- no option is exercised prior to the first anniversary of the grant and
- a maximum of 25%, 50%, 75% and 100% of the total number of optioned Common Shares may be acquired as at the first, second, third, and fourth anniversary, respectively, of the grant.

Upon the exercise of options, the Company may elect to issue Common Shares or proceed with a cash payment, subject to a maximum cash amount determined by the Committee.

In the event of a potential change in control, the Committee has the discretion, without the need to obtain the consent of any participant, to accelerate the dates on which options may be exercised or will expire. For purposes of the Stock Option Plan, a change of control is deemed to occur: a) when a formal offer to purchase by a third party is presented involving one or more classes of the Corporation's shares representing a minimum of fifty percent (50%) of the voting rights combined with the then outstanding securities of the Corporation or b) on the record date determining the right to vote at a meeting of Shareholders of the Corporation called to approve either a merger or a consolidation of the Corporation with another corporation (except in cases in which the controlling shareholder of the successor corporation immediately following the transaction is the controlling shareholder of the Corporation), the sale or any other disposition of all or substantially all the assets of the Corporation or a plan of liquidation or dissolution of the Corporation.

It is not our policy to provide financial assistance to permit the exercise of options granted under the iA Financial Corporation Stock Option Plan. Under the iA Financial Corporation Stock Option Plan, options are not transferable.

Upon the occurrence of certain events, unless the Committee decides otherwise, the expiry date of the options is accelerated, with the result that options vested at the date of the event cannot be exercised after the accelerated expiry date. Options unvested at the date of the event cease to exist and can never be exercised.



The events and accelerated expiry dates are:

- If the participant resigns or is dismissed for cause, the accelerated expiry date is the date of resignation or dismissal;
- In the event of death, the accelerated expiry date is six months following death; and
- in the event of termination for any other reason, the accelerated expiry date is three years following termination. The Committee may, in such cases, modify the number of options vested at the date of the event.

The Human Resources and Compensation Committee may, subject to regulatory approval and, where applicable, Common Shareholder approval, at its discretion, amend the iA Financial Corporation Stock Option Plan and the terms of options thereafter to be granted and, without limiting the generality of the foregoing, make amendments to comply with applicable laws and regulations, provided always that any such amendment not alter the terms of any outstanding options or impair any right of the holder thereof.

The Human Resources and Compensation Committee may, without Common Shareholder approval, but subject to receipt of regulatory approval, where required, at its sole discretion, make certain other amendments to the Plan or stock options under the Plan that are not contemplated in the Plan, including, without limitation, amendments of a “housekeeping” or clerical nature, amendments clarifying any provision of the Plan and amendments required to comply with applicable securities laws, rules, regulations or policies, a change to the vesting provisions of a stock option, a change to the termination provisions of a stock option which does not entail an extension beyond its original expiry date, and suspending or terminating the Plan.

Since 2018, we have significantly reduced the number of participants in the Stock Option Plan, which resulted in lessening this program’s dilution effect. While we used to award approximately 500,000 stock options annually, this number has been reduced to approximately 300,000 since 2018. The majority of the participants who no longer receive stock options now qualify for the Mid-Term Incentive Plan.



In 2018, the number of options granted was reduced.

The following table provides the number of options outstanding and exercisable under the iA Financial Corporation Stock Option Plan as at December 31, 2018.

Options Outstanding for the Last Financial Year

Plan Category	Number of Shares to be Issued upon Exercise of Outstanding Options, Warrants, or Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights	Number of Shares remaining for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by Common Shareholders	2,875,333	\$42.89	2,213,517
Equity compensation plans not approved by Common Shareholders	N/A	N/A	N/A

Burn Rate

The following table presents the burn rate over the past three fiscal years. The burn rate corresponds to the total number of options awarded during each fiscal year expressed as a percentage of the weighted average number of outstanding Common Shares at the end of that fiscal year for purposes of future issuances under the plan.

	2018	2017	2016
Number of options awarded	311,333	491,000	491,000
Weighted average number of outstanding shares that may be issued under the plan	109,033,157	106,453,057	102,818,385
Burn rate	0.29%	0.46%	0.48%

Pension and Benefits Plan

Executives participate in a benefit plan just like any other employee.

The plan includes life insurance, health and dental insurance, short- and long-term disability insurance, accidental death and dismemberment insurance and emergency travel assistance.

We pay the majority of the costs associated with those benefits, but employees (including executives) must also contribute to the plan. The benefit plan is comparable to those offered by other companies in its reference market. Executive officers also receive perquisites as part of their compensation, the value of which varies depending on the position occupied and is comparable to what is offered by other companies within the reference market.

Executive officers also participate in the registered defined benefit pension plans and qualify for supplemental pension benefits under the supplemental pension plans. Other sections of this Circular provide further information on these plans.

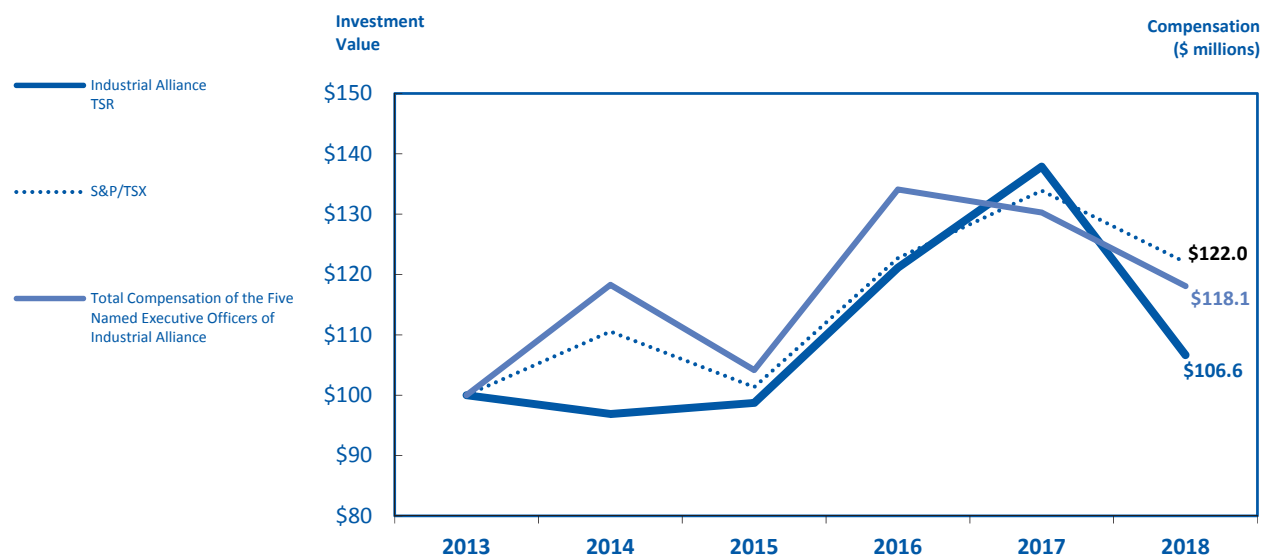
Correlation between Executive Compensation and Shareholder Returns

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

The graph below shows the cumulative total iA Financial Group Common Shareholder return versus the cumulative total return of the S&P/TSX composite index over the past five fiscal years ended December 31, 2018. The graph assumes an initial \$100 investment in the Common Shares and in the S&P/TSX composite index as at December 31, 2013 and that dividends have been reinvested.

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

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



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

The following table shows the Named Executive Officers' compensation earned in cash and Common Shares in 2016, 2017 and 2018 as a percentage of net income after tax.

2018	2017	2016
1.58%	1.70%	1.57%

Executive Share Ownership

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

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

Each new officer has five years from the date of his hiring or appointment, whichever occurs last, to meet this requirement. As of the date of this Circular, the Named Executive Officers comply with the policy. In accordance with the *Executive Share Ownership Policy*, the officers are prohibited from participating in monetization or other hedging activities related to the securities of the Corporation or of iA Insurance they hold as well as with respect to their share-based compensation awards of the Corporation. The President and Chief Executive Officer has agreed not to sell securities held under the *Executive Share Ownership Policy* for a period of one year following the termination of his employment with the Corporation.

The following table shows, as at March 13, 2019, the number and value of Common Shares, Preferred Shares and DSUs held by Named Executive Officers, with the exception of René Chabot and Yvon Charest, who retired, respectively, on April 1, 2018 and January 1, 2019.

	Common Shares		Preferred Shares		DSUs		Complies with the Executive Share Ownership Policy
	Number	\$	Number	\$	Number	\$	
DENIS RICARD	30,000	1,533,900	-	-	40,344	2,062,789	Yes
JACQUES POTVIN	7,133	364,710	-	-	6,960	355,865	Yes
NORMAND PÉPIN	168,547	8,617,808	-	-	86,521	4,423,819	Yes
MICHEL TREMBLAY	17,000	869,210	17,000 ⁽¹⁾	348,150	-	-	Yes
CARL MUSTOS	4,400	224,972	-	-	-	-	Yes

⁽¹⁾ Michel Tremblay holds 12,000 Preferred Shares – Series G and 5,000 Preferred Shares – Series I of Industrial Alliance Insurance and Financial Services Inc.

Details of Individual Compensation



DENIS RICARD

President and Chief Executive Officer

President and Chief Executive Officer since September 1, 2018, Denis Ricard is responsible for the Corporation's strategic planning and positioning, as well as growth and value creation for our Shareholders.

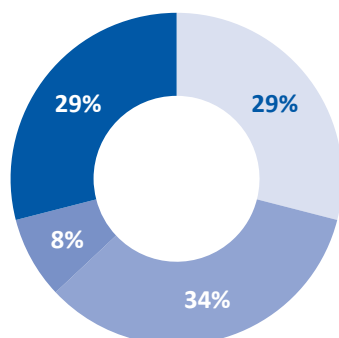
Mr. Ricard oversees the implementation of the Corporation's strategy and policies and ensures its monitoring and constant evolution. He is also responsible for identifying and seizing business opportunities that arise in the course of the Corporation's business.

2018 Total Direct Compensation

	2018	2017	2016
Base Salary	\$671,375	\$474,349	\$445,875
Annual Bonus	\$762,911	\$401,849	\$426,960
Mid-Term Incentive Plan	\$178,341	\$137,370	\$133,768
Long-Term Incentive Plan ⁽¹⁾	\$670,663	\$431,550	\$235,500
Total Direct Compensation	\$2,283,290	\$1,445,118	\$1,242,103

⁽¹⁾ Estimated value of stock options calculated using the Black-Scholes model: \$13.24 in February 2018, \$10.58 in July 2018, \$12.33 in February 2017 and \$7.85 in February 2016.

Total Direct Compensation



- Base Salary
- Annual Bonus
- Mid-Term Incentive Plan
- Long-Term Incentive Plan

History of the Compensation of the President and Chief Executive Officer

One of the underlying guidelines of the compensation objectives is the alignment of compensation with Common Shareholder interests. Compensation related to the Mid-Term Incentive Plan and to the Long-Term Incentive Plan is one way this is achieved.

The following table shows the total direct compensation awarded to our President and Chief Executive Officer over the past five years (Mr. Denis Ricard in 2018 and Mr. Yvon Charest from 2014 to 2017) along with the current actual value of this compensation in comparison with Common Shareholder value.

	Total Direct Compensation		Value of \$100	
	Initial Value ⁽¹⁾	Actual Value at December 31, 2018 ⁽²⁾	Value for the President and Chief Executive Officer ⁽³⁾	Common Shareholder Value (\$) ⁽⁴⁾
2014	\$2,568,972	\$2,149,550	\$83.67	\$106.99
2015	\$2,150,853	\$2,142,319	\$99.60	\$108.31
2016	\$2,586,734	\$2,432,598	\$94.04	\$108.53
2017	\$2,443,322	\$1,716,391	\$70.25	\$99.59
2018	\$2,283,290	\$1,328,374	\$58.18	\$75.14

(1) Includes salary and variable compensation awarded at year-end for annual performance.

(2) The actual value as at December 31, 2018 includes the following:

- Salary and annual cash bonuses received during the award year;
- The actual value derived from PSUs and exercised options granted during the award year, at the time of vesting;
- The value at December 31, 2018 of the PSUs awarded during the award year that have not vested; or
- The in-the-money value at December 31, 2018 of stock options awarded during the award year that are not vested or that are vested but have not been exercised.

(3) Represents the actual value for Mr. Charest or Mr. Ricard of each \$100 of total direct compensation awarded during the indicated year.

(4) Represents the cumulative value of an investment of \$100 in the shares made the first trading day of the indicated year, assuming the reinvestment of dividends.

Evaluation Process for the President and Chief Executive Officer

The Human Resources and Compensation Committee evaluates the performance of the President and Chief Executive Officer based on performance and strategic objectives that have been determined for him at the beginning of the year. At the beginning of the following year, the performance objectives are compared with the financial results obtained by the Corporation and the strategic objectives are evaluated in connection with a process that may include a self-assessment, an evaluation by executive officers and an evaluation by directors. As part of this process, the Chair of the Board compiles the results and finalizes the evaluation with the Human Resources and Compensation Committee.

Calculation of the Bonus

	Weighting (%)	Bonus as a % of Target	Bonus (\$)
Return on Shareholders' Equity	35	181.8	\$399,887
New Business	30	79.5	\$149,924
Cost Control	10	-	-
Divisional Objectives and Qualitative Assessment	25	135.8	\$213,100
Total	100	121.4	\$762,911
Profit Threshold Met		Yes	Yes
Total Bonus Paid		121.4	\$762,911



YVON CHAREST

President and Chief Executive Officer
(retired)

Prior to retiring on January 1, 2019, Yvon Charest acted as President and Chief Executive Officer for 18 years. During his mandate at the helm of the Corporation, the organization grew to be one of Canada's leading financial services firms with an exceptional reputation.

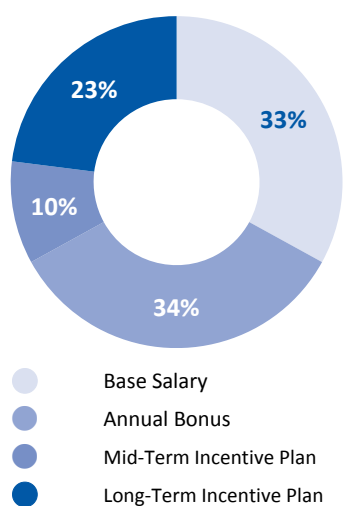
Yvon Charest established a rich culture of performance grounded in respect, transparency and disciplined decision-making, while maintaining a long-term view of the business strategy, talent development and value creation for Shareholders.

2018 Total Direct Compensation

	2018	2017	2016
Base Salary	\$872,548	\$851,266	\$828,886
Annual Bonus	\$879,280	\$720,150	\$1,038,195
Mid-Term Incentive Plan	\$261,757	\$255,406	\$248,653
Long-Term Incentive Plan ⁽¹⁾	\$595,800	\$616,500	\$471,000
Total Direct Compensation	\$2,609,385	\$2,443,322	\$2,586,734

⁽¹⁾ Estimated value of stock options calculated using the Black-Scholes model: \$13.24 in February 2018, \$12.33 in February 2017 and \$7.85 in February 2016.

Total Direct Compensation



Calculation of the Bonus

	Weighting	Bonus as a % of Target	Bonus
	%		\$
Return on Shareholders' Equity	35	181.8	444,053
New Business	30	79.5	166,482
Cost Control	10	-	-
Divisional Objectives and Qualitative Assessment	25	154.0	268,745
Total	100	126.0	879,280
Profit Threshold Met		Yes	Yes
Total Bonus Paid		126.0	879,280



Jacques Potvin has acted as Executive Vice President, Chief Financial Officer and Chief Actuary since February 2018 and is a member of the Corporation's planning committee. Mr. Potvin is responsible for ensuring the sound financial management and long-term financial sustainability of the Corporation.

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

JACQUES POTVIN

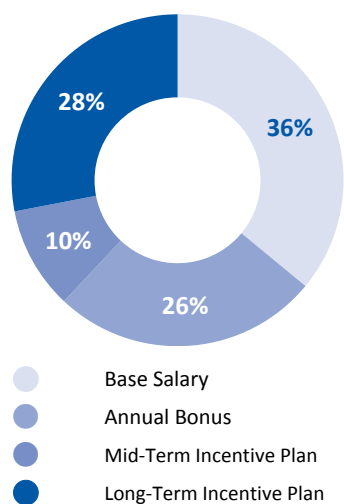
Executive Vice President, Chief Financial Officer and Chief Actuary

2018 Total Direct Compensation

	2018	2017	2016
Base Salary	\$350,990	\$236,242	\$220,375
Annual Bonus	\$253,665	\$128,712	\$94,683
Mid-Term Incentive Plan	\$92,260	N/A	N/A
Long-Term Incentive Plan ⁽¹⁾	\$264,800	\$73,980	\$31,400
Total Direct Compensation	\$961,715	\$438,935	\$346,458

⁽¹⁾ Estimated value of stock options calculated using the Black-Scholes model: \$13.24 in February 2018, \$12.33 in February 2017 and \$7.85 in February 2016.

Total Direct Compensation



Calculation of the Bonus

	Weighting	Bonus as a % of Target	Bonus
	%		\$
Return on Shareholders' Equity	10	181.8	36,410
New Business	10	79.5	15,926
Cost Control	10	-	-
Divisional Objectives and Qualitative Assessment	70	143.5	201,329
Total	100	126.6	253,665
Profit Threshold Met		Yes	Yes
Total Bonus Paid		126.6	253,665



Prior to retiring on April 1, 2018, René Chabot was Executive Vice President, Chief Financial Officer and Chief Actuary and oversaw an array of corporate services, including actuarial services, accounting, investor relations, risk management, legal affairs and IT.

Mr. Chabot also held various management positions in, for example, actuarial services, individual insurance and annuities, and in group savings.

RENÉ CHABOT

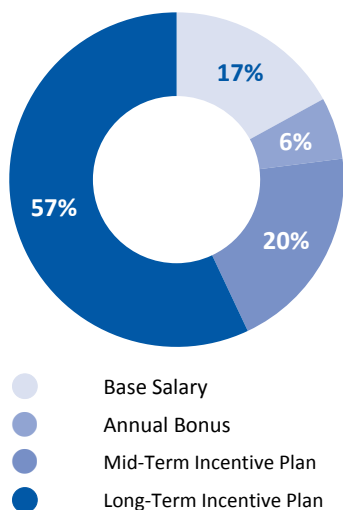
Executive Vice President, Chief Financial Officer and Chief Actuary (retired)

2018 Total Direct Compensation

	2018	2017	2016
Base Salary	\$115,313	\$450,000	\$399,750
Annual Bonus	\$43,381	\$376,953	\$386,089
Mid-Term Incentive Plan	\$138,360	\$135,001	\$119,913
Long-Term Incentive Plan ⁽¹⁾	\$397,200	\$431,550	\$235,500
Total Direct Compensation	\$694,254	\$1,393,504	\$1,141,252

⁽¹⁾ Estimated value of stock options calculated using the Black-Scholes model: \$13.24 in February 2018, \$12.33 in February 2017 and \$7.85 in February 2016.

Total Direct Compensation



Calculation of the Bonus

	Weighting	Bonus as a % of Target	Bonus
	%		\$
Return on Shareholders' Equity	24	181.8	30,180
New Business	24	79.5	13,201
Cost Control	12	-	-
Divisional Objectives and Qualitative Assessment	-	-	-
Total	60	104.5	43,381
Profit Threshold Met		Yes	Yes
Total Bonus Paid		104.5	43,381



With extensive experience and in-depth knowledge of Canada's insurance and financial services industry, Normand Pépin advises the President and Chief Executive Officer of the Corporation on matters affecting in particular strategic direction and business development. Mr. Pépin is primarily concerned with acquisitions and is a member of the Corporation's planning committee.

NORMAND PÉPIN

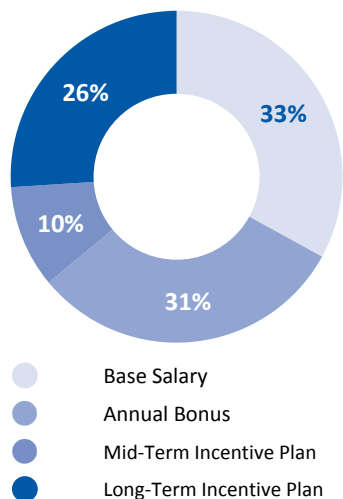
Executive Vice President and
Assistant to the President

2018 Total Direct Compensation

	2018	2017	2016
Base Salary	\$591,265	\$576,844	\$561,678
Annual Bonus	\$562,467	\$490,943	\$683,754
Mid-Term Incentive Plan	\$177,372	\$173,061	\$168,507
Long-Term Incentive Plan ⁽¹⁾	\$463,400	\$493,200	\$353,250
Total Direct Compensation	\$1,794,504	\$1,734,048	\$1,767,189

⁽¹⁾ Estimated value of stock options calculated using the Black-Scholes model: \$13.24 in February 2018, \$12.33 in February 2017 and \$7.85 in February 2016.

Total Direct Compensation



Calculation of the Bonus

	Weighting	Bonus as a % of Target	Bonus
	%		\$
Return on Shareholders' Equity	35	181.8	282,097
New Business	30	79.5	105,762
Cost Control	10	-	-
Divisional Objectives and Qualitative Assessment	25	157.5	174,608
Total	100	126.8	562,467
Profit Threshold Met		Yes	Yes
Total Bonus Paid		126.8	562,467



Michel Tremblay is responsible for managing the Corporation's investment portfolio. He is particularly responsible for managing the general fund and the investment funds. He also oversees the corporate financing activities. Mr. Tremblay is a member of the Corporation's planning committee.

MICHEL TREMBLAY

Executive Vice President
and Chief Investment Officer

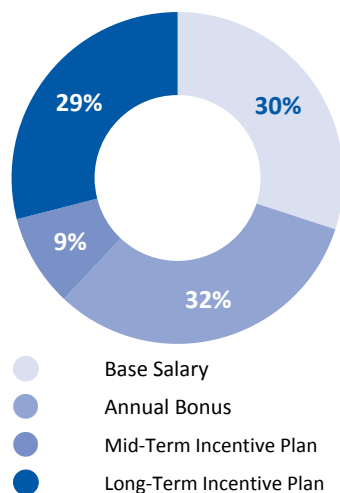
(Expected to retire on May 31,
2019)

2018 Total Direct Compensation

	2018	2017	2016
Base Salary	\$563,945	\$550,190	\$535,725
Annual Bonus	\$589,610	\$563,680	\$667,985
Mid-Term Incentive Plan	\$169,194	\$165,075	\$160,701
Long-Term Incentive Plan ⁽¹⁾	\$529,600	\$493,200	\$314,000
Total Direct Compensation	\$1,852,349	\$1,772,145	\$1,678,411

⁽¹⁾ Estimated value of stock options calculated using the Black-Scholes model: \$13.24 in February 2018, \$12.33 in February 2017 and \$7.85 in February 2016.

Total Direct Compensation



Calculation of the Bonus

	Weighting	Bonus as a % of Target	Bonus
	%		\$
Return on Shareholders' Equity	35	181.8	269,062
New Business	10	79.5	33,625
Cost Control	5	-	-
Divisional Objectives and Qualitative Assessment	50	135.7	286,923
Total	100	139.4	589,610
Profit Threshold Met		Yes	Yes
Total Bonus Paid		139.4	589,610



Carl Mustos is the Executive Vice President, Wealth Management, President of iA Clarington Investments Inc. and is a member of the Corporation's planning committee. Mr. Mustos oversees the growth strategies and the operations of all the wealth management subsidiaries of the iA Group, including the brokerage firms regulated by the Investment Industry Regulatory Organization of Canada and by the Mutual Fund Dealers Association of Canada. Mr. Mustos also oversees the group's entire mutual fund division.

CARL MUSTOS

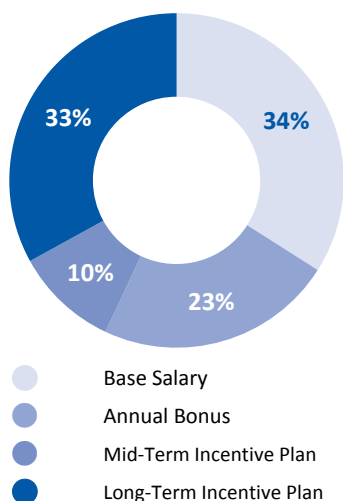
Executive Vice President,
Wealth Management and
President, iA Clarington
Investments Inc.

2018 Total Direct Compensation

	2018	2017	2016
Base Salary	\$488,510	\$450,000	\$358,750
Annual Bonus	\$324,165	\$366,795	\$253,588
Mid-Term Incentive Plan	\$138,360	\$135,002	\$107,625
Long-Term Incentive Plan ⁽¹⁾	\$463,400	\$431,550	\$180,550
Total Direct Compensation	\$1,414,435	\$1,383,347	\$900,513

⁽¹⁾ Estimated value of stock options calculated using the Black-Scholes model: \$13.24 in February 2018, \$12.33 in February 2017 and \$7.85 in February 2016.

Total Direct Compensation



Calculation of the Bonus

	Weighting	Bonus as a % of Target	Bonus
	%		\$
Return on Shareholders' Equity	20	181.8	115,105
New Business	-	-	-
Cost Control	-	-	-
Divisional Objectives and Qualitative Assessment	80	82.5	209,060
Total		102.4	324,165
Profit Threshold Met		Yes	Yes
Total Bonus Paid		102.4	324,165

Summary Compensation Table

Name and Principal Occupation	Year	Salary	Share-Based Awards ⁽¹⁾	Option-Based Awards ⁽²⁾	Annual Incentive Plan ⁽³⁾ (non-equity)	Pension Value	Other Compensation ⁽⁴⁾	Total Compensation
DENIS RICARD President and Chief Executive Officer	2018	\$671,375	\$178,341	\$670,663	\$762,911	\$1,376,958	N/A	\$3,660,248
	2017	\$474,349	\$137,370	\$431,550	\$401,849	\$890,015	N/A	\$2,335,133
	2016	\$445,875	\$133,768	\$235,500	\$426,960	\$923,627	N/A	\$2,165,730
YVON CHAREST President and Chief Executive Officer (retired)	2018	\$872,548	\$261,757	\$595,800	\$879,280	\$0 ⁽⁵⁾	N/A	\$2,609,385
	2017	\$851,266	\$255,406	\$616,500	\$720,150	\$0 ⁽⁵⁾	N/A	\$2,443,322
	2016	\$828,886	\$248,653	\$471,000	\$1,038,195	\$625,395	N/A	\$3,212,129
JACQUES POTVIN Executive Vice President and Chief Financial Officer and Chief Actuary	2018	\$350,990	\$92,260	\$264,800	\$253,665	\$530,759	N/A	\$1,492,474
	2017	\$236,243	N/A	\$73,980	\$128,712	\$261,258	N/A	\$700,193
	2016	\$220,375	N/A	\$31,400	\$94,683	\$276,345	N/A	\$622,803
RENÉ CHABOT Executive Vice President, Chief Financial Officer and Chief Actuary (retired)	2018	\$115,313	\$138,360	\$397,200	\$43,381	\$1,053,973	N/A	\$1,748,227
	2017	\$450,000	\$135,001	\$431,550	\$376,953	\$601,672	N/A	\$1,995,176
	2016	\$399,750	\$119,913	\$235,500	\$386,089	\$651,702	N/A	\$1,792,954
NORMAND PÉPIN Executive Vice President and Assistant to the President	2018	\$591,265	\$177,372	\$463,400	\$562,467	\$0 ⁽⁶⁾	N/A	\$1,794,504
	2017	\$576,844	\$173,061	\$493,200	\$490,943	\$0 ⁽⁶⁾	N/A	\$1,734,048
	2016	\$561,678	\$168,507	\$353,250	\$683,754	\$0 ⁽⁶⁾	N/A	\$1,767,189
MICHEL TREMBLAY Executive Vice President and Chief Investment Officer	2018	\$563,945	\$169,194	\$529,600	\$589,610	\$444,875	N/A	\$2,297,224
	2017	\$550,190	\$165,075	\$493,200	\$563,680	\$403,282	N/A	\$2,175,427
	2016	\$535,725	\$160,701	\$314,000	\$667,985	\$378,557	N/A	\$2,056,968
CARL MUSTOS Executive Vice President, Wealth Management and President, iA Clarington Investments Inc.	2018	\$488,510	\$138,360	\$463,400	\$324,165	\$459,940	N/A	\$1,874,375
	2017	\$450,000	\$135,002	\$431,550	\$366,795	\$210,841	N/A	\$1,594,188
	2016	\$358,750	\$107,625	\$180,550	\$253,588	\$245,706	N/A	\$1,146,219

⁽¹⁾ Share value is calculated on the award date. This value is \$60.58 for 2018, \$55.08 for 2017 and \$40.87 for 2016. In accordance with the Mid-Term Incentive Plan in effect, the initial share price for a given performance period is determined by the average price of the Corporation's Common Shares for the first 20 business days of the period. The performance period is spread over three fiscal years; it begins on January 1 of the grant year and ends on December 31 of the third year.

⁽²⁾ Award date fair value of stock options using the Black-Scholes model: \$13.24 in February 2018, \$10.58 in July 2018 and \$12.33 in February 2017. The Black-Scholes valuation model estimates the fair value of options. The pricing model assumes the following information: Risk-free interest rate 2.17% in February 2018 and 2.24% in July 2018 (1.18% in 2017 and 0.79% in 2016); expected volatility 29.04% in February 2018 and 28.47% in July 2018 (29.00% in 2017 and 28.84% in 2016); expected life 5.7 years in February 2018 and 5.6 years in July 2018 (5.5 years in 2017 and 6.1 years in 2016) and expected dividends 2.68% in February 2018 and 3.22% in July 2018 (2.48% in 2017 and 2.94% in 2016).

⁽³⁾ The bonus is established according to a predetermined formula (see "Compensation of Named Executive Officers") and is paid in cash or DSUs during the first three months of the following year.

⁽⁴⁾ The aggregate value of perquisites and benefits to each of the Named Executive Officers is less than \$50,000 and less than 10% of the Named Executive Officer's total annual salary.

⁽⁵⁾ The cost of Yvon Charest's pension benefits accrued in 2017 and 2018 is \$0 as he is no longer accruing credited service in the registered and supplemental pension plans. The pension payable to Mr. Charest under these plans has reached the limit of 70% of average salaries and bonuses.

⁽⁶⁾ The cost of Normand Pépin's pension benefits accrued in 2016, 2017 and 2018 is \$0 as he is no longer accruing credited service in the registered and supplemental pension plans. The pension payable to Mr. Pépin under these plans has reached the limit of 80% of average salaries and bonuses. It should be noted that, following a meeting of the Board of Directors held on November 4, 2009, it was decided that the ceiling for the pension payable to Mr. Pépin under the registered and supplemental pension plans, set at 70% of average salaries and bonuses, would be increased to 80%.

Outstanding Awards as at the End of the Last Financial Year

At December 31, 2018, stock options to purchase Common Shares were awarded to the Named Executive Officers and are outstanding as set out in the following table. All of the options awarded had an exercise price equal to the weighted average price of the Common Shares traded on the Toronto Stock Exchange during the five trading days immediately preceding the day on which the option was granted. The options vest over four years at the rate of 25% per year, starting on the first anniversary date of the date of the award. The options may be exercised for a period of 10 years from the date of the award.

Option-Based Awards					
	Year of Award	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiry Date	Value of Unexercised In-the-Money Options ⁽¹⁾
		Number	\$		\$
DENIS RICARD	2009	-	19.23	February 6, 2019	\$0
	2010	12,000	32.08	February 5, 2020	\$137,880
	2011	20,000	38.48	February 11, 2021	\$101,800
	2012	13,000	26.03	February 10, 2022	\$228,020
	2013	23,000	35.51	February 8, 2023	\$185,380
	2014	25,000	43.38	February 7, 2024	\$4,750
	2015	25,000	39.96	February 6, 2025	\$90,250
	2016	30,000	40.91	February 5, 2026	\$79,800
	2017	35,000	55.85	February 10, 2027	\$0
	2018	40,000	58.43	February 9, 2028	\$0
	2018	13,333	52.66	July 31, 2028	\$0
	Total	236,333			\$827,880
YVON CHAREST	2009	20,000	19.23	February 6, 2019	\$486,800
	2010	70,000	32.08	February 5, 2020	\$804,300
	2011	68,000	38.48	February 11, 2021	\$346,120
	2012	68,000	26.03	January 1, 2022	\$1,192,720
	2013	64,000	35.51	January 1, 2022	\$515,840
	2014	64,000	43.38	January 1, 2022	\$12,160
	2015	64,000	39.96	January 1, 2022	\$231,040
	2016	60,000	40.91	January 1, 2022	\$159,600
	2017	50,000	55.85	January 1, 2022	\$0
	2018	45,000	58.43	February 15, 2022	\$0
	Total	573,000			\$3,748,580
JACQUES POTVIN	2009	-	19.23	February 6, 2019	\$0
	2010	3,000	32.08	February 5, 2020	\$34,470
	2011	3,000	38.48	February 11, 2021	\$15,270
	2012	3,000	26.03	February 10, 2022	\$52,620
	2013	3,000	35.51	February 8, 2023	\$24,180
	2014	3,000	43.38	February 7, 2024	\$570
	2015	4,000	39.96	February 6, 2025	\$14,440
	2016	4,000	40.91	February 5, 2026	\$10,640
	2017	6,000	55.85	February 10, 2027	\$0
	2018	20,000	58.43	February 9, 2028	\$0
	Total	49,000			\$152,190

Option-Based Awards

	Year of Award	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiry Date	Value of Unexercised In-the-Money Options ⁽¹⁾
		Number	\$		\$
RENÉ CHABOT	2009	-	19.23	February 6, 2019	\$0
	2010	-	32.08	February 5, 2020	\$0
	2011	-	38.48	February 11, 2021	\$0
	2012	-	26.03	February 10, 2022	\$0
	2013	23,000	35.51	April 1, 2021	\$185,380
	2014	25,000	43.38	April 1, 2021	\$4,750
	2015	25,000	39.96	April 1, 2021	\$90,250
	2016	30,000	40.91	April 1, 2021	\$79,800
	2017	35,000	55.85	April 1, 2021	\$0
	2018	30,000	58.43	February 15, 2022	\$0
	Total	168,000			\$360,180
NORMAND PÉPIN	2009	-	19.23	February 6, 2019	\$0
	2010	-	32.08	February 5, 2020	\$0
	2011	52,000	38.48	February 11, 2021	\$264,680
	2012	-	26.03	February 10, 2022	\$0
	2013	49,000	35.51	February 8, 2023	\$394,940
	2014	49,000	43.38	February 7, 2024	\$9,310
	2015	49,000	39.96	February 6, 2025	\$176,890
	2016	45,000	40.91	February 5, 2026	\$119,700
	2017	40,000	55.85	February 10, 2027	\$0
	2018	35,000	58.43	February 9, 2028	\$0
	Total	319,000			\$965,520
MICHEL TREMBLAY	2009	-	19.23	February 6, 2019	\$0
	2010	-	32.08	February 5, 2020	\$0
	2011	-	38.48	February 11, 2021	\$0
	2012	-	26.03	February 10, 2022	\$0
	2013	-	35.51	February 8, 2023	\$0
	2014	-	43.38	February 7, 2024	\$0
	2015	20,000	39.96	February 6, 2025	\$72,200
	2016	40,000	40.91	February 5, 2026	\$106,400
	2017	40,000	55.85	February 10, 2027	\$0
	2018	40,000	58.43	February 9, 2028	\$0
	Total	140,000			\$178,600
CARL MUSTOS	2009	-	19.23	February 6, 2019	\$0
	2010	10,000	32.08	February 5, 2020	\$114,900
	2011	10,000	38.48	February 11, 2021	\$50,900
	2012	10,000	26.03	February 10, 2022	\$175,400
	2013	10,000	35.51	February 8, 2023	\$80,600
	2014	10,000	43.38	February 7, 2024	\$1,900
	2015	10,000	39.96	February 6, 2025	\$36,100
	2015	15,000	43.51	April 29, 2025	\$900
	2016	23,000	40.91	February 5, 2026	\$61,180
	2017	35,000	55.85	February 10, 2027	\$0
	2018	35,000	58.43	February 9, 2028	\$0
	Total	168,000			\$521,880

⁽¹⁾ This amount is calculated based on the difference between the closing share price on December 31, 2018 (\$43.57) and the option exercise price.

PSU vesting is subject to a performance requirement and a three-year vesting period. The value of each PSU awarded is equal to the average closing price of the Common Shares for the first 20 business days of the reference period. PSUs also accumulate notional dividends.

		Share-Based Awards			
		PSU		DSU ⁽²⁾	
Year of Award		Number of Shares or Share Units that Have Not Vested	Market or Payout Value of Share-Based Awards that Have Not Vested ⁽¹⁾	Outstanding DSUs ⁽³⁾ (all these DSUs have fully vested)	Market or Payout Value of Share-Based Awards that Have Vested (not paid or distributed)
		Number	\$	Number	\$
DENIS RICARD	2017	2,641	117,683	35,213	1,534,230
	2018	3,038	135,373		
	Total	5,679	253,056		
YVON CHAREST	2017	-	-	111,452	4,855,964
	2018	-	-		
	Total	-	-		
JACQUES POTVIN	2017	-	-	3,836	167,135
	2018	1,572	70,048		
	Total	1,572	70,048		
RENÉ CHABOT	2017	-	-	15,369	669,627
	2018	-	-		
	Total	-	-		
NORMAND PÉPIN	2017	3,327	148,251	81,390	3,546,162
	2018	3,021	134,616		
	Total	6,348	282,867		
MICHEL TREMBLAY	2017	3,173	141,389	-	-
	2018	2,882	128,422		
	Total	6,055	269,811		
CARL MUSTOS	2017	2,595	115,633	-	-
	2018	2,357	105,028		
	Total	4,952	220,661		

⁽¹⁾ The value of non-vested PSUs is based on a 100% target performance criteria and the average share price for the last 20 business days of 2018 (\$44.56).

⁽²⁾ These executive officers have elected to receive a percentage of their annual bonus in the form of DSUs. All these DSUs have fully vested. This amount is calculated based on the closing price of the share on December 31, 2018 (\$43.57).

⁽³⁾ Total DSUs (share-based awards and dividends) as of December 31, 2018.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table lists, for each of the Named Executive Officers, the values of incentive plan awards that were earned or vested during 2018.

	Option-Based Awards – Value Vested During the Year ⁽¹⁾	Share-Based Awards – Value Vested During the Year ⁽²⁾	Compensation Based on a Non-Equity Incentive Plan – Value Earned During the Year ⁽³⁾
DENIS RICARD	\$372,763	\$218,370	\$762,911
YVON CHAREST	\$598,155	\$614,923 ⁽⁴⁾	\$879,280
JACQUES POTVIN	\$52,695	-	\$253,665
RENÉ CHABOT	\$372,563	\$229,358 ⁽⁴⁾	\$43,381
NORMAND PÉPIN	\$648,113	\$275,081	\$562,467
MICHEL TREMBLAY	\$549,000	\$262,338	\$589,610
CARL MUSTOS	\$255,525	\$174,605	\$324,165

⁽¹⁾ Value based on the closing price of the Common Shares on the day they are vested.

⁽²⁾ Awards for 2016, for which the performance period was from January 1, 2016, to December 31, 2018, were paid on February 21, 2019.

⁽³⁾ The Named Executive Officer can elect to receive all or part of his annual bonus in DSUs. DSUs are redeemable for cash only upon termination of employment, retirement or death of the Named Executive Officer.

⁽⁴⁾ Following the retirement of Mr. Charest and of Mr. Chabot in 2018, the amount includes outstanding units for the 2016, 2017 and 2018 awards that were paid to each of them on February 21, 2019.

Payment of 2016 PSU Awards

PSUs awarded to Named Executive Officers in 2016 vested on December 31, 2018 (the end of the three-year performance evaluation period for said PSUs).

The table below shows how the payment of PSUs was calculated:

- The amount received by the Named Executive Officers is based on the number of units that have vested and the Common Share price at the time of vesting, as described below;
- The number of units that have vested was determined based on the performance coefficient, which was calculated based on the Corporation's performance during the three-year reference period (see below for more details);
- During the reference period, notional dividends were received by the Named Executive Officers as additional units;
- The vesting price corresponds to the arithmetic average of the weighted average prices of Common Shares for the 20-day period before the end of the reference period, being the end of the fiscal year ended December 31, 2018;
- The difference between the value of the award and the value of the payment includes the effect of the notional dividends received by the Named Executive Officers as additional units, the increase in the share price since the award and the performance coefficient.

	Number of PSUs Awarded in 2016	Number of Dividend Equivalents Received	Total Number of PSUs	Performance Coefficient	Vesting Price	Payment Value on Vesting	Award Value	Difference Between the Award Value and the Payment Value
	Number	Number	Number	%	\$	\$	\$	\$
DENIS RICARD	3,273	291	3,564	1.50	44.56	218,370	133,768	84,602
YVON CHAREST	6,084	541	6,625	1.50	44.56	405,917	248,653	157,264
JACQUES POTVIN	-	-	-	-	-	-	-	-
RENÉ CHABOT	2,934	184	3,118	1.46	53.69	169,158	119,913	49,245
NORMAND PÉPIN	4,123	367	4,490	1.50	44.56	275,081	168,507	106,574
MICHEL TREMBLAY	3,932	350	4,282	1.50	44.56	262,338	160,701	101,637
CARL MUSTOS	2,634	234	2,868	1.37	44.56	174,605	107,625	66,980

Calculation of the Performance Coefficient

	Threshold 50%	Target 100%	Maximum 150%	Actual	Performance Coefficient for the Period
2016-2018	1,150	1,450	1,600	1,665.2	1.50

Options Exercised

The following table lists, for each of the Named Executive Officers, the number and net value of options that were exercised during 2018.

Option Awards			
	Number of Shares Acquired on Exercise	Exercise Price	Net Value Realized Upon Exercise ⁽¹⁾
	Number	\$	\$
DENIS RICARD	-	-	-
YVON CHAREST	-	-	-
JACQUES POTVIN	-	-	-
RENÉ CHABOT	-	-	-
NORMAND PÉPIN	-	-	-
MICHEL TREMBLAY	20,000 10,000	43.38 39.96	210,512 133,559
CARL MUSTOS	-	-	-
Total	30,000		344,071

⁽¹⁾ This amount is calculated based on the difference between the exercise price and the market price of the shares at the time of exercise.

Pension Benefits

The Named Executive Officers participate in the registered pension plans and qualify for supplemental pension benefits under the supplemental pension plans. These plans are defined benefit plans.

Under these plans, the pension is calculated on the basis of 2% of the average salary and performance bonus for the best five years, multiplied by the number of years of credited service and is generally limited to 70% of the average salaries and bonuses. The calculation of the pension is subject to a maximum percentage of salary based on pension credits for 2006 and subsequent years. This percentage is limited to 175%, or 200% for the Chief Executive Officer, of the base salary for the last three years. The normal form of pension is a joint and last survivor pension for which the amount payable to the spouse is reduced on the death of the pensioner to 60% of the amount paid to the pensioner before his or her death.

The annual retirement pension provided for under the registered pension plans is limited to the maximum amount authorized by the tax authorities for each year of credited service. The annual retirement pension payable under the supplemental pension plans is calculated according to the formula described above, less the pension payable under the registered pension plans.

The following table sets forth the defined benefit plans for each of the Named Executive Officers. These plans provide for payments or benefits at, following, or in connection with retirement:

Annual Benefits Payable							
	Number of Years of Credited Service	At Year End	At age 65 ⁽⁵⁾	Opening Present Value of Defined Benefit Obligation	Compensatory Change ⁽⁶⁾	Non-Compensatory Change ⁽⁷⁾	Closing Present Value of Defined Benefit Obligation
	Number	\$	\$	\$	\$	\$	\$
DENIS RICARD⁽¹⁾	33.58	514,623	660,883	7,932,265	1,376,958	(87,611)	9,221,612
YVON CHAREST⁽²⁾	35.00	1,200,664	1,206,219	20,450,912	0	133,979	20,584,891
JACQUES POTVIN	28.56	176,203	225,406	2,624,480	530,759	(60,532)	3,094,707
RENÉ CHABOT⁽³⁾	34.67	460,341	474,710	7,483,983	1,053,973	(223,034)	8,314,922
NORMAND PÉPIN	40.00	943,089	943,089	14,354,003	0	278,358	14,632,361
MICHEL TREMBLAY⁽⁴⁾	16.19	311,631	369,454	4,570,344	444,875	5,832	5,021,051
CARL MUSTOS	6.67	83,798	226,160	1,014,556	459,940	(41,031)	1,433,465

(1) Following a meeting of the Human Resources and Compensation Committee held on July 31, 2018, it was decided that the pension payable to Mr. Ricard under the registered and supplemental pension plans would not be limited to the maximum of 70% of the average salaries and bonuses.

(2) At the time of his retirement, Mr. Charest opted for an immediate early pension in the annual amount of \$1,165,089, beginning January 1, 2019. The pension has been reduced in accordance with the provisions of the registered pension plans and the supplementary pension plans.

(3) The annual benefits payable shown in the table take into account the number of years of credited service at the time of Mr. Chabot's retirement. At the time of his retirement, Mr. Chabot opted for an immediate early pension in the annual amount of \$381,239 beginning on April 1, 2018. The pension has been reduced in accordance with the provisions of the registered pension plans and the supplementary pension plans.

(4) Mr. Tremblay joined iA Financial Corporation in mid-career in March 2008. The Human Resources and Compensation Committee established that, for each year of recognized service where he is employed by us, 1.5 years of service should be credited to him. The years of credited service indicated in this table therefore include 5.4 years of additional service. The annual benefits payable to Mr. Tremblay for these additional years of service totalled \$103,877 as at December 31, 2018, and the projected additional annual benefits at the age of 65 total \$123,151.

(5) Annual benefits payable at age 65 or at the end of the fiscal year if the member is over age 65.

(6) Compensatory change includes the cost for benefits accrued during the year, plan changes, and the impact on liabilities of differences between actual and estimated earnings.

(7) Non-compensatory change includes the interest on the accrued obligation at the start of the year as well as the impact on liabilities of changes in assumptions.

Termination and Change of Control Benefits

Employment Contract of the President and Chief Executive Officer

The Corporation entered into an employment contract with Denis Ricard. If the Corporation terminates the employment of Denis Ricard without cause, including at the time of a change of control, the latter shall then be entitled to an indemnity equal to 24 months of base salary and to an amount equal to twice his average bonuses for the previous three years. Furthermore, Mr. Ricard shall be credited two years of additional service under the pension plan and employment benefits shall be maintained for a period of 24 months with the exception of disability benefits. All stock options held by Mr. Ricard shall continue to vest based on the schedule established at the time of the award, and Mr. Ricard will also be entitled to payment of a part of the annual target bonus in proportion to the number of months worked in the performance period in which his employment ended and to all vacation days earned but not taken. If Mr. Ricard leaves his employment with the Corporation for any reason or if the Corporation terminates the employment of Mr. Ricard for a serious reason, Mr. Ricard will be required, for a period of 24 months following the end of his employment, to non-competition and non-solicitation obligations.

Change of Control

The purpose of the *Compensation Policy in the Event of a Change of Control* is to specify the nature of the indemnities to be granted to certain eligible executives if their employment is not maintained in the event of a change of control. Normand Pépin and Michel Tremblay are executives to whom this policy applies. The indemnity that would be awarded to Denis Ricard for termination in the event of a change of control is that provided in his employment contract.

This policy provides that, if a change of control occurs that terminates the employment of an executive without cause within 24 months following the date of change in control, the executive shall be entitled to a lump-sum payment equal to 24 months of base salary, all amounts to be paid to him under the Stock Option Plan and the Performance Share Unit, a lump-sum payment equal to twice the average bonuses for the previous three years, maintenance of employment benefits for up to 24 months, all vacation days earned but not taken, credited service of up to 24 months for purposes of the supplemental pension plan and certain modified terms and conditions related to early retirement.

With respect to this policy, a change of control means any change in the shareholding of the Corporation, whether as a result of a share acquisition, merger or consolidation, which would result in a legal person or an unincorporated entity becoming the Beneficial Owner of more than 50% of the voting shares of the Corporation.

Other Employment Contracts and Other Conditions of Termination

With the exception of the President and Chief Executive Officer, the Corporation did not enter into any employment contract with Named Executive Officers that provides an indemnity in the event of termination thereof. However, the Performance Share Unit Plan and the Stock Option Plan set out the effect of termination on a participant's grants.

	Compensation Components	
	Options	PSUs
Resignation	Expiry of all options on the date of termination.	Expiry of all unvested PSUs.
Termination (without cause)	Vested options may be exercised three years after the date of termination. Unvested options are cancelled unless the Board decides otherwise.	Vesting in proportion to the number of months worked during the performance period and the actual performance.
Termination (with cause)	Expiry of all options on the date of termination.	Expiry of all unvested PSUs.
Retirement	Vested options may be exercised three years after the date of termination. Unvested options are cancelled unless the Board decides otherwise.	Vesting in proportion to the number of months worked during the performance period and the actual performance.
Termination Following a Change of Control	N/A	The Human Resources and Compensation Committee may, at its discretion, accelerate the vesting dates.

Value of Benefits in the Event of Termination

The following table sets out the additional amounts that would have been payable to the Named Executive Officers and the value of the additional rights acquired by these Named Executive Officers, assuming that the Named Executive Officer's employment had been terminated on December 31, 2018 and considering, for the share-based compensation, a Common Share closing price of \$43.57 as at December 31, 2018.

	Nature of Payment	Resignation	Termination (without cause)	Termination (with cause)	Retirement	Termination Following a Change of Control
		\$	\$	\$	\$	\$
DENIS RICARD	Salary	-	1,640,000	-	-	1,640,000
	Annual Bonus	-	1,384,353	-	-	1,384,353
	PSUs	-	339,969	-	339,969	339,969
	Options	-	62,463	-	-	62,463
	Pension benefits	-	2,947,137	-	-	2,947,137
	Total Value	-	6,373,922	-	339,969	6,373,922
NORMAND PÉPIN	Salary	-	-	-	-	1,182,530
	Annual Bonus	-	-	-	-	1,084,029
	PSUs	-	416,703	-	416,703	416,703
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	Total Value	-	416,703	-	416,703	2,683,262
JACQUES POTVIN	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	22,569	-	22,569	22,569
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	Total Value	-	22,569	-	22,569	22,569
MICHEL TREMBLAY	Salary	-	-	-	-	1,127,890
	Annual Bonus	-	-	-	-	1,159,953
	PSUs	-	397,426	-	397,426	397,426
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	1,369,192
	Total Value	-	397,426	-	397,426	4,054,461
CARL MUSTOS	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	279,584	-	279,584	279,584
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	Total Value	-	279,584	-	279,584	279,584

Other Information

Common Share Repurchase Program

On November 12, 2018, a normal course issuer bid began and will end no later than November 11, 2019. The program initially in effect for iA Insurance was transferred to iA Financial Corporation at the time the arrangement took effect. This program allows the Corporation to acquire, in the aforementioned period, a maximum of 5,482,768 Common Shares, representing approximately 5% of the issued and outstanding Common Shares as at November 1, 2018. The repurchases are carried out through the Toronto Stock Exchange or another Canadian trading platform, in accordance with market rules and policies. The price paid by the Corporation for any repurchased Common Share corresponds to the market price prevailing at the time of purchase. The Corporation considers that the repurchase of its Common Shares represents an appropriate use of its funds and is in the best interest of the Corporation and its Shareholders. As of March 13, 2019, iA Insurance and, after the arrangement came into effect, iA Financial Corporation had collectively repurchased 2,685,763 Common Shares for cancellation under the program.

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

Interest of Informed Persons in Material Transactions

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

Indebtedness of Directors, Executive Officers and Employees

We have a policy to 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.

Additional Information

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

Approval of the Directors

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

Quebec City, Quebec, March 13, 2019



Jennifer Dibblee
Vice President, Legal Services
and Corporate Secretary

SCHEDULE A – BOARD OF DIRECTORS CHARTER

BOARD OF DIRECTORS CHARTER iA FINANCIAL CORP. INC.

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

Composition and Quorum

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

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

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

Role and Responsibilities

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

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

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

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

The Board’s responsibilities include:

1. Corporate culture

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

2. Strategic planning

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

3. Risk management and oversight

3.1. Risk management framework

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

3.2. Compliance

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

3.3. Financial information and internal controls

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

4. Governance

4.1. Structure

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

4.2. Board elections, evaluation and compensation

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

4.3. Training

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

5. Senior management oversight and compensation

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

6. Communications and public disclosure

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

Board procedures

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

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

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

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

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

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

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

SCHEDULE B – Shareholder Proposals

The following three shareholder proposals of the Mouvement d'éducation et de défense des actionnaires (MÉDAC), 82 Sherbrooke Street West, Montreal, Quebec H2X 1X3 are submitted for consideration at the Meeting. The Board response, particularly its voting recommendation, follows each of the proposals.

Proposal n°1 – Integration of environmental, social and governance (ESG) criteria in executive compensation [Translation]

It is hereby proposed that the compensation committee provide, in the presentation of its annual activities, a report on the importance it attaches to the integration of environmental, social and governance criteria in evaluating the performance of senior officers and establishing executive compensation.

The directives published in 2012 by the United Nations Principles for Responsible Investment (PRI) and the United Nations Global Compact specify that recourse to ESG criteria can be an important factor in creating and protecting value for shareholders.

These objectives can be summarized as follows: ratio of women on decision-making bodies; rate of integration of persons from diverse sociocultural communities; initiatives targeting the reduction of paper, water and energy consumption; actions proposed to ensure sustainable employment for personnel with regard to automation; various programs proposed to promote employee health and well-being; etc.

In this respect, let us state that companies with specific ESG orientations generally benefit from a better reputation among their clienteles, adapt to change with greater agility, better manage their risks, are more innovative and are therefore better equipped to develop added value in the long term for their shareholders and all stakeholders.

There is no doubt that the integration of financial objectives in the assessment of senior officer performance and the setting of executive compensation plays a crucial role in achieving such objectives. It would be important to reassure shareholders and stakeholders that ESG criteria are used as a formal guide in evaluating the performance of the CEO and the management team.

Arguments

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

The Corporation has been leading sustainable development initiatives for more than 30 years. Several examples are as follows:

- In the first quarter of 2019, the Corporation became a signatory to the United Nations PRI (*Principles for Responsible Investment*) through its subsidiary Industrial Alliance Investment Management Inc. ("iAIM");

In so doing, the portfolio managers of iAIM agree to integrate environmental, social and governance (ESG) criteria in their investment decisions.

It should be noted that iAIM is responsible for managing the general funds of Industrial Alliance Insurance and Financial Services and the assets of the Corporation's subsidiaries. In this capacity, iAIM manages the portfolios of segregated funds and of mutual funds for the group as a whole.

In 2018, the Corporation adopted a *Sustainable Development Policy*. It sets forth the following seven core sustainable development principles:

- Ensure the financial well-being of our clients;
 - Carry out integrated risk management;
 - Follow high standards of governance;
 - Actively contribute to the community;
 - Manage the environmental impact;
 - Provide a stimulating work environment;
 - Implement responsible procurement.
- Since 2014, the Corporation has published each year a Social Responsibility Report (now called a *Sustainable Development Report*) that presents its results in terms of sustainable development in accordance with ESG (environmental, social and governance) criteria;
- In 2009, the Corporation entered the market of socially responsible investments;
- Since 2007, the Corporation has participated in the *Carbon Disclosure Project*, which requests that companies report on their greenhouse gas emissions;
- In 2004, the Corporation was the first company in Quebec's insurance and financial services sector to receive the ICI ON RECYCLE! certificate.

These examples successfully demonstrate the importance that we attach to ESG criteria. The Corporation also prioritizes diversity in employment and the health and well-being of its employees.

All this information is included in the details in the *2018 Sustainable Development Report* published by the Corporation and made available to its shareholders, who are able to see the scope of the Corporation's achievements in the area of sustainable development and its progress over the years.

The Corporation's many initiatives and achievements relating to sustainable development clearly demonstrate the management team's solid commitment in this area.

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

Proposal n°2 – Director independence [Translation]

It is hereby proposed that all information that has led the board to declare a director independent or not be disclosed in the management circular as per securities regulations.

Under *National Instrument 58-101 – Disclosure of Corporate Governance Practices*, it is required that reporting issuers disclose the identity of directors who are not independent and describe the basis for that determination. To this end, *Multilateral Instrument 52-110 – Audit Committees* describes several clarifications regarding the definition of independence.

As written by governance expert Stéphane Rousseau of Université de Montréal:

“In the view of many, director independence from management is ‘an essential part of effective governance.’ The importance attached to the independence of directors stems from the supervisory function of the board of directors. In this regard, it should be noted that the board of directors of a public company usually includes inside directors who are members of management and outside directors. It is difficult for the former to perform the monitoring function since it is equivalent to asking them to evaluate their own performance objectively. In addition, they may be reluctant or uncomfortable to criticize the CEO because of his/her influence on their own careers. From this perspective, only outside directors are able to perform the management oversight function.”⁽¹⁾

¹ ROUSSEAU, Stéphane, “Le rôle des tribunaux et du conseil d’administration dans la gouvernance des sociétés ouvertes : réflexions sur la règle du jugement d’affaires”, *Les Cahiers de droit*, Volume 45, Issue 3, 2004. <https://www.erudit.org/en/journals/cd1/2004-v45-n3-cd3839/043804ar.pdf>

There is a need for increased disclosure of information about the company's directors to better understand the nature of each director's relationship with the company, officers and controlling shareholders in order to enable shareholders to exercise their voting rights in an informed manner and to improve corporate governance. This change will allow shareholders to assess the real objectivity of directors, particularly when they have been in office for several years.

Arguments

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

For the past several years, the only director of the Corporation who is not independent within the meaning of the definition used by the Canadian Securities Administrators is the person holding the position of President and Chief Executive Officer of the Corporation. As a result, the only current director of the Corporation who is not independent is Mr. Denis Ricard, who succeeded Mr. Yvon Charest on September 1, 2018.

The Corporation has adopted a *Board Independence Policy*. This policy sets out criteria that determine the independence of a director and includes an ongoing monitoring process to evaluate and ensure director independence.

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

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

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

These elements show the importance that the Corporation attaches to the independence of the Board of Directors and the fact that criteria relating to independence are already set forth in the circular.

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

Proposition n°3 – Diversity policy [Translation]

It is hereby proposed that the board of directors adopt a written policy on the representation of women within the board of directors and senior management.

In December 2014, the Canadian Securities Administrators invited companies to adopt a policy to increase the representation of women within their boards of directors and senior management. To date, the company has not adopted such a policy or objective, stating that it considers candidates on merit and on the basis of skills, training, experience and knowledge. While the company recognizes the positive contribution of a critical number of women within the organization, it does not see the relevance of such a formal approach given its current practices.

This type of policy and the adoption of specific gender balance objectives serve the purpose of ensuring a sustainable orientation guiding efforts in recruitment, promotion and human resources development.

Arguments

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

Board Diversity

On February 14, 2019, the directors adopted the *Board Diversity Policy*.

This policy has the following two objectives:

- Confirm our commitment to encouraging diversity on the Board of Directors;
- Specify how diversity is included as part of the director selection process.

We believe that Board diversity favours a diversity of ideas and view points, reduces the risks associated with too homogeneous a mindset and ensures diversity of knowledge and skills.

Diversity includes not only gender diversity, but also diversity of ethnic origin, geographic origin, cultural identity, sexual orientation or age.

Representation of men and women on the Board receives the Board's special attention. For this reason, our *Board Diversity Policy* stipulates that the Corporation aspires to achieve gender parity.

Senior Executive Diversity

We are very close to achieving parity in terms of female representation among middle managers. This allows us to strive, in the medium term, towards parity for female representation among Vice Presidents.

Concerning female representation among executive officers, we believe that through the efforts we continue to make, we will eventually show improvements in terms of gender diversity.

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

iA Financial Corporation Inc.

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