

# **PRESENT AND STRONG.**

More than ever.

ANNUAL MEETING  
OF SHAREHOLDERS **2021**  
iA Financial Corporation Inc.



# Notice of the 2021 Annual Meeting of Shareholders of iA Financial Corporation Inc.

## When?

May 6<sup>th</sup>, 2021

2:00 p.m. (Eastern time)

## Where?

Virtual Meeting only: via live audio webcast online at the following address:  
<https://wwwICASTpro.ca/eia210506>

Please refer to section "Meeting Information" of the Circular to obtain login instructions to the Virtual Meeting.

## Agenda

At our 2021 Annual Meeting, Common Shareholders of iA Financial Corporation Inc. (the "**Corporation**" or "**iA Financial Corporation**") will be asked to:

- 1) receive the consolidated financial statements of the Corporation and the report of the external auditor for the year ended December 31, 2020;
- 2) elect the directors of the Corporation for the ensuing year;
- 3) appoint the external auditor for the Corporation for the ensuing year;
- 4) vote on an advisory resolution on the Corporation's approach to executive compensation;
- 5) to consider and, if deemed advisable, adopt a resolution to ratify amendments to the Corporation's by-laws relating to the holding of virtual shareholders meetings and certain other matters;
- 6) examine a Shareholder proposal; and
- 7) transact such other business as may be properly brought before the Meeting.

The Annual Meeting of Industrial Alliance Insurance and Financial Services Inc. will be held on the same webcast.



## For Your Information

Please refer to section "Meeting Information" for all voting information.

Quebec City, Quebec, March 9, 2021

A handwritten signature in black ink that reads "Jennifer Dibblee".

Jennifer Dibblee  
Corporate Secretary of the Corporation

# Table of Content

<b>Message from the Chair of the Board of Directors</b>	<b>2</b>	<b>Committee Reports</b>	<b>64</b>
<b>Meeting Information</b>	<b>4</b>	— Board of Directors	64
<b>Questions Submitted at the Meeting</b>	<b>5</b>	— Audit Committee	66
— Our Financial Statements	5	— Investment Committee	69
— Election of Directors	5	— Human Resources and Compensation Committee	71
— Appointment of the External Auditor	5	— Governance and Ethics Committee	74
— Advisory Resolution on Executive Compensation	7		
— Amendments to the Corporation's By-laws	8		
— Shareholder Proposals	9		
— Consideration of Other Matters	10		
<b>Delivery of Meeting Materials</b>	<b>10</b>		
<b>Who Can Vote?</b>	<b>11</b>		
<b>How to Vote?</b>	<b>12</b>		
<b>How to Attend the Webcast of the Meeting as a Guest?</b>	<b>14</b>		
<b>Our Directors</b>	<b>15</b>		
<b>Our Practices Governing the Composition and Renewal of the Board of Directors</b>	<b>15</b>		
<b>Director Nominees</b>	<b>18</b>	<b>Correlation between Executive Compensation and Shareholder Returns</b>	<b>95</b>
— Board Member Areas of Expertise and Knowledge	32	<b>Executive Share Ownership</b>	<b>97</b>
— Directors' Compensation	34	<b>Details of Individual Compensation</b>	<b>98</b>
— <i>Director Share Ownership Policy</i>	38	<b>Summary Compensation Table</b>	<b>105</b>
— Board Meetings and Board Committee Meetings	39	<b>Outstanding Awards as at the End of the Last Financial Year</b>	<b>106</b>
— Additional Information	41	<b>Incentive Plan Awards – Value Vested or Earned During the Year</b>	<b>109</b>
<b>Governance</b>	<b>43</b>	<b>Payment of 2018 PSU Awards</b>	<b>109</b>
<b>Our Purpose</b>	<b>43</b>	<b>Options Exercised</b>	<b>111</b>
<b>Our Governance Practices</b>	<b>44</b>	<b>Pension Benefits</b>	<b>111</b>
<b>Mandates and Position Descriptions</b>	<b>49</b>	<b>Termination and Change of Control Benefits</b>	<b>113</b>
<b>Succession Planning and Development</b>	<b>50</b>	<b>Other Information</b>	<b>116</b>
<b>In-camera Meetings</b>	<b>51</b>	<b>SCHEDULE A – Board of Directors Charter</b>	<b>117</b>
<b>Risk Management</b>	<b>51</b>	<b>SCHEDULE B – By-Laws</b>	<b>121</b>
<b>Sustainable Development</b>	<b>53</b>	<b>SCHEDULE C – Shareholder Proposals</b>	<b>128</b>
<b>Engagement with Shareholders</b>	<b>56</b>		
<b>Employment Diversity and Inclusion</b>	<b>58</b>		
<b>About the Board of Directors</b>	<b>61</b>		

# **Message from the Chair of the Board of Directors**

---

## **Resilience, Determination and Success**

I am pleased to invite you to the Annual Meeting of iA Financial Corporation, which will take place on Thursday, May 6, 2021, at 2:00 p.m. This will be an opportunity to discuss various aspects of the Corporation's governance.

Because of the pandemic, our Annual Meeting in May 2021, like last year, will be virtual. Rest assured that every measure has been taken to preserve shareholders' voting and interaction rights during the event.

Since the beginning of the pandemic, the Corporation has worked tirelessly and has made every effort to mitigate its effects, through many measures taken to protect its employees, clients and communities.

The Corporation adjusted quickly and efficiently, implementing telework for the vast majority of its employees. It also put in place various relief measures to support its clients experiencing financial hardship as a direct result of the pandemic.

Since March 2020, the Corporation has been committed to the fight against COVID-19 and its unprecedented effects on our communities. It increased donations in the areas of health and community services, specifically targeting organizations with urgent needs due to the situation.

## **A Resilient Business Model**

Board members were delighted to see that the results for 2020 eloquently show the resilience and soundness of the Corporation's business model, despite the difficult and unusual situation in which we find ourselves.

The increase in sales was quite significant in almost every sector. This great success is based on the scope and diversity of our distribution networks, the wide range and relevance of the products we offer, the effectiveness of the digital tools available to our representatives, clients and employees as well as their dedication and professionalism.

In addition, the Corporation completed the largest acquisition in its history, that of U.S. company IAS Parent Holdings, Inc. and its subsidiaries, enabling it to become one of the largest vehicle warranty platforms in the United States.

The Corporation finished 2020 with net income attributed to common shareholders of \$611.2 million and maintained a strong solvency ratio above its target, despite the significant capital deployment related to the acquisition of IAS.

## **Ambitious Sustainable Development Objectives**

For many years, the Corporation has been committed to supporting the fight against climate change by proactively reducing its carbon footprint. It compensates for its residual greenhouse gas (GHG) emissions with the purchase of carbon credits, while adding new initiatives to reduce its GHG emissions at the source.

The Board of Directors eagerly supports the Corporation's objective of reducing its GHG emissions by 20% per employee by 2025. Sustainable development constitutes a true commitment for Board members, management and the Corporation's employees.

During the 2020 Annual Meeting, the Corporation committed to adopting sustainable development targets and to using a recognized disclosure framework. That has now been done. I invite you to read more about this initiative in the *2020 Sustainability Report*, which is available on the Corporation's website.

Please note that in terms of governance, both Boards of Directors, whose composition is the same, now have 13 members, 12 of whom are independent directors, and that 42% of the independent members are women.

### **Mark Your Calendar**

This Circular presents an abundance of information about the Board's governance, which we invite you to read.

I also invite you to exercise your right to vote, either by online ballot during the Annual Meeting, by phone, via the Internet or by completing the Proxy Form attached to this mailing.

We believe that honest, open and continuous discussion with you is very important, in the spirit of sound governance of which we are proud.

On behalf of the Board and the senior management of iA Financial Corporation, I want to extend my sincerest thanks for your trust and support.

I look forward to having a discussion with you at the Annual Meeting on May 6, 2021.



Jacques Martin  
Chair of the Board

#### **Key Financial Results (as at December 31, 2020):**

Net income attributed to Common Shareholders	611,2 million dollars
Earnings per share (diluted)	\$5.70
Return on equity	10.6%
Solvency ratio	130%
Premiums and deposits	14,1 billion dollars
Assets under management and administration	197,5 billion dollars
Book value per common share	\$ 55.52

# 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 honest communication with you. We invite you to take part in the Meeting online or by proxy.



## For Your Information

- The Circular is part of the solicitation of proxies by the management of iA Financial Corporation, for use at the 2021 Annual Meeting. Herein you shall find important information required to exercise your voting rights.
- In this Circular, “**iA Financial Group**” refers to iA Financial Corporation and all its subsidiaries.
- For a second year, as a precautionary measure to proactively address the public health impact of coronavirus disease (COVID-19), to mitigate health and safety risks to our shareholders, employees and other stakeholders, and to abide by some of the Government of Quebec’s directives and recommendations, we will hold our Meeting in a virtual-only format. We ask that you give preference to the vote by proxy. The Meeting will thus be broadcasted live online. Shareholders will have an opportunity to participate in the Meeting online, regardless of their geographic location. At the Meeting, shareholders will have the opportunity to ask questions and vote on several important topics.
- You have received the Circular because you held, at the close of business on March 9, 2021, Common Shares of iA Financial Corporation (“**Common Shares**”). Unless otherwise indicated, the information contained in the Circular is up to date as of March 9, 2021 and all amounts are in Canadian dollars.
- In order for a proxy to be voted at the Annual Meeting, the properly 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 4, 2021, or 48 hours before any adjournment(s) thereof.
- We will hold the Annual Meeting of the sole Common Shareholder and the participating policyholders of Industrial Alliance Insurance and Financial Services Inc. (“**iA Insurance**”) at the same time. The questions on the Agenda of each meeting will be reviewed separately. However, management’s presentation will cover both companies and a joint question and answer session will follow.

# Questions Submitted at the Meeting

## Our Financial Statements

The consolidated financial statements of the Corporation and the external auditor report for the year ended December 31, 2020 will be presented at the Meeting. You will find our financial statements in our *2020 Annual Report*, which is available on our website at ia.ca and on the SEDAR website at sedar.com.

## Election of Directors

The term of office of each of the current directors expires at the close of the Meeting. Thirteen directors will be elected at the Meeting. Each director elected at the Meeting will hold office until the close of the next Annual Meeting, unless he or she resigns or otherwise vacates his or her office. In accordance with our *Policy Regarding the Majority 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 Majority Election of Directors* and on nominees for director positions can be found on page 17 and following.



### Vote FOR

The Board recommends that you vote FOR each director nominee as proposed by the Corporation.

## Appointment of the External Auditor

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

For the 2021 financial year, and in accordance with the recommendation of the Audit Committee and of the Board, 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.



### Vote FOR

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

## Independence of the External Auditor

A rigorous Canadian regulatory framework governs the independence and objectivity of the external auditor. The Canadian Public Accountability Board and the professional provincial orders provide oversight of accounting firms that audit Canadian reporting issuers. Rotation of the managing partner in charge is required at least every seven years. For the Corporation, the last rotation occurred for the audit of the 2019 fiscal year, after a six-year term. Deloitte has policies and procedures designed to ensure compliance with applicable professional standards of independence.

In addition, the Corporation has adopted a policy on the independence of the external auditor which establishes in particular the procedures for the granting of service contracts for non-audit services and for the recruitment of partners or of employees of the external auditor. The Audit Committee as well as management assess annually and comprehensively the performance and the quality of the audit work performed by Deloitte and are satisfied with it. The annual assessment covers the following five themes: (i) support team, (ii) work planning, (iii) communication, (iv) audit quality, and (v) Net Promoter Score.

In accordance with its mandate, the Audit Committee oversees the independence of the external auditor, approves all audit services and determines non-audit services that may be provided by the external auditor. The Committee or, as the case may be, its Chairman pre-approves all non-audit services that the Corporation's external auditor may provide to it or its subsidiaries, all in accordance with the *External Auditor Independence Policy* and applicable regulations. During the 2020 financial year, 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 Chartered Professional Accountants* (Quebec), as well as to their own internal policies and procedures.

The Corporation believes that having the same auditor for some time contributes to a higher quality of audit services. Its institutional knowledge of the Corporation's operations also leads to efficiencies gained from experience and to being proactive on issues that extend beyond the annual mandate. Furthermore, in the context of the COVID-19 pandemic, this knowledge of the Corporation's activities has enabled, despite social distancing measures, an effective and good quality audit, in accordance with the strictest governance rules. Shareholders benefit from this experience as the Corporation benefits from more competitive fees.

In 2020 and 2019, we paid out the following fees to Deloitte:

	2020 (thousands of dollars)	2019 (thousands of dollars)
<b>Audit fees</b> These fees were incurred to audit the financial statements of iA Financial Corporation, iA Insurance, and its segregated funds.	2,605	2,232
<b>Audit Fees of Subsidiaries</b> These fees were incurred to audit the financial statements of certain subsidiaries of iA Financial Corporation, except for iA Insurance.	3,393 <sup>(1)</sup>	2,321
<b>Total Audit Fees</b>	<b>5,998</b>	<b>4,553</b>
<b>Audit-related fees</b> These fees were incurred for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements such as special reports, services related to the issuance of share capital and employee benefit plans.	252	1,018
<b>Tax fees</b>	-	-
<b>Other fees (fees for non-audit-services)</b> These fees were incurred for support services in technology development and information security.	195	336
<b>Total</b>	<b>6,445</b>	<b>5,907</b>

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

## Advisory Resolution 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 pages 79 and following. We believe that the executive compensation for 2020 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 opportunity to thoroughly understand our executive compensation objectives, principles and foundations and to speak out 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, 92.10 % 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 91.36 %. 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 9, 2021.

## Amendments to the Corporation's By-laws

On February 11, 2021, the Board adopted amendments to the Corporation's by-laws. The main amendment is intended to allow holding of virtual meetings.

It should be noted that the *Business Corporations Act* (Quebec) allows a corporation to hold a meeting solely by means of equipment enabling all participants to communicate directly with one another, such as an entirely virtual meeting, but only if the corporation's by-laws so allow. The Corporation's current by-laws do not permit the holding of an entirely virtual meeting. For this reason, in 2020 and again this year, as a result of COVID-19, the Corporation had to obtain a court order to hold its meeting virtually only.

The Board believes that it would be appropriate and beneficial to shareholders to add such a provision to the Corporation's by-laws.

In addition to this amendment to the by-laws, the Corporation will ensure that whenever notice is provided for an upcoming virtual meeting, the following information will be included in the notice:

- clear instructions on how to participate in the meeting; and
- the process for submitting questions to the Board and how we will answer the questions.

The other amendments to the Corporation's by-laws are primarily intended to simplify them. The following is a summary of the most significant amendments:

- addition of a mechanism for chairing meetings in the absence of the Chairman of the Board, the President and Chief Executive Officer and, if applicable, the Vice Chairman of the Board;
- simplification of the descriptions of the officers' positions and withdrawal of the descriptions of the positions of management as these are already provided for in separate mandates;



**Vote FOR**

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



**Vote FOR**

The Board recommends that you vote FOR the amendments to the Corporation's by-laws.

- addition of a provision to the effect that a chair of a Board's meeting shall not have a second or casting vote in the case of a tie vote; and
- removal of provisions that were merely repetitive of the law.

The above is a summary only of the main changes made. You will find attached to this Circular a version of the by-laws highlighting the amendments made.

In addition, it should be noted that 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 is prevented from exercising the voting rights attached to any of the Common Shares it holds. This restriction has two consequences on the Corporation's by-laws:

- a quorum at a Meeting of the shareholders of the Corporation must be at least three holders of Common Shares, as it is impossible for two holders to reach the required minimum percentage of votes (25 %); and
- certain provisions of the by-laws provide for the manner in which the Corporation may ensure that this restriction is complied with and the consequences of non-compliance.

To remain in force after the date of the Meeting, the proposed amendments must be ratified by the shareholders by a simple majority. At the Meeting, the shareholders will therefore be asked to consider the proposed amendments and, if they deem it advisable, to adopt the following resolution to ratify the amendments:

#### **BE IT RESOLVED:**

**THAT** the amendments to the by-laws of the Corporation, as adopted by the Corporation's Board of Directors on February 11, 2021, and incorporated in the amended and restated by-laws of the Corporation attached as Schedule B to the *Information Circular* dated March 9, 2021, be and are hereby ratified;

**THAT** any director or officer of the Corporation be and is hereby authorized, on behalf of the Corporation, to sign any document and do any act or thing deemed useful or necessary to give effect to these resolutions.

#### **Shareholder Proposals**

The Mouvement d'éducation et de défense des actionnaires ("MÉDAC") sent to iA Financial Corporation three proposals to be included in the *Information Circular*. We have reproduced the full text of these proposals and the responses of iA Financial Corporation thereto on pages 128 and following. Please note that only one proposal will be submitted to a vote, namely the proposal No. 3, since MEDAC has agreed not to submit the proposals No. 1 and 2 to a vote.



#### **Vote AGAINST**

The Board recommends that you vote AGAINST this Shareholder proposal for the reasons set out after this proposal.

Shareholder proposals for our 2022 Annual Meeting must be received no later than December 9, 2021 in order to be included in next year's 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 [legisquebec.gouv.qc.ca](http://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](mailto: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, except for amendments or additions concerning the election of directors, your Proxyholder may exercise voting rights attached to your shares regarding such matters in accordance with their best judgment.

## **Delivery of Meeting Materials**

### **Notice-and-Access**

As allowed by the Canadian Securities Administrators, we use Notice-and-Access to deliver this Circular to both Registered Shareholders and Beneficial Owners. As such, you received by mail a notice indicating how to obtain the Circular electronically and how to request a paper copy. You also received a Proxy Form or a Voting Instruction Form enabling you to vote your shares.

Notice-and-Access allows for faster access to this Circular, helps to lower the printing and mailing costs incurred, contributes to environmental protection and is consistent with our sustainability strategy.

You may obtain a copy of the Meeting Materials on our website at [ia.ca](http://ia.ca) or on the SEDAR website at [sedar.com](http://sedar.com).

You can request free of charge a paper copy of the Meeting Materials in the year following their filing date on SEDAR. If you are a Registered Shareholder, you can make the request at any time before the Meeting by phone, by calling 1 866 962-0498 (Canada and the United States) or 1 514 982-8216 (other countries) and by following the instructions. If you are a Beneficial Owner, you can make the request at any time before the Meeting by phone, by calling 1 877 907-7643 (Canada and the United States) or 1 303 562-9305 (other countries) and by following the instructions. After the Meeting, requests can be made by calling 1 800 564-6253 (Canada and the United States) or 1 514 982-7555 (other countries).

If you request a paper copy of the Circular, you will not receive a new Proxy Form. You should therefore keep the initial form sent to you in order to vote.

If you request it before the date of the Meeting, the Circular will be sent to you within three business days of receiving your request. To receive the Circular before the voting deadline and the date of the Meeting, we estimate that your request must be received no later than 5:00 p.m. (EDT) on April 19, 2021. Please note that postal delays could cause you to receive the Circular after the proxy voting deadline and after the date of the Meeting. If you request it on the day of the Meeting or within the year following the filing date of the Circular, it will be sent to you within ten calendar days of receiving your request.

## Who Can Vote?

Persons who hold Common Shares on March 9, 2021, 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 Instruction Form" from your intermediary.

Common Shares are the only securities of our share capital that confer voting rights at the Meeting. As of March 9, 2021, 107,203,477 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 is prevented from exercising the voting rights attached to any of the Common Shares it holds.

To the knowledge of the directors and executive 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:



**Vote by online ballot  
during the virtual Meeting**



**Vote by proxy before the  
virtual Meeting**

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



**Vote by online ballot during  
the virtual Meeting**

## Registered Shareholder:

If you wish to attend the Meeting and exercise your voting rights at that moment, follow the following steps on the day of the Meeting:

- Log in online at:  
<https://wwwICASTpro.ca/eia210506>. We recommend that you log in at least one hour before the Meeting starts;
- Enter your control number (see below) and password “iA2021” (case sensitive);
- The control number located on the Proxy Form you received is your “control number”.

You are not required to complete the Proxy Form that was sent to you if you choose to vote at the Meeting.

## Beneficial Owner:

If you wish to attend the Meeting and exercise your voting rights at that moment, (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 before the deadline by following the instructions indicated therein. On the day of the Meeting, follow the following steps:

- Log in online at:  
<https://wwwICASTpro.ca/eia210506>. We recommend that you log in at least one hour before the Meeting starts;
- Enter your control number (see below) and password “iA2021” (case sensitive);
- Computershare Investor Services Inc. will provide you with a “control number” by e-mail after the proxy voting deadline has passed, provided you have been duly appointed and registered as Proxyholder as described above.

If you attend the Meeting online, it is important to be connected to the Internet at all times during the Meeting in order to vote. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure. The Corporation has published on its website at ia.ca, the rules of conduct applicable to the virtual meeting. These rules are intended to ensure the proper conduct of the Meeting and provide, among other things,

the way a shareholder may intervene at the Meeting and ask questions. We encourage Registered Shareholders and Beneficial Owners to consult the rules of conduct and to carefully follow the instructions in this Circular and on their Proxy Form or Voting Instruction Form, as applicable, to attend and participate fully in the Meeting.



### **Vote by proxy before the virtual Meeting**

**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 Instruction Form to represent you at the Meeting.**

#### **Registered Shareholder:**

If you do not intend to attend the Meeting or, if you simply wish to vote before the Meeting, you must (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 or, if you simply wish to vote before the Meeting, you must (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 Instruction Form by following the instructions indicated by your intermediary.

Beneficial Owners are divided into two categories: those who object to their names 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 names 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 4, 2021 or 48 hours prior to any adjournment(s) 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. 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**

You may revoke your proxy by following the instructions below:

### **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 Form, following the instructions and time limit mentioned above;
- by submitting an instrument in writing executed by you or by your duly authorized attorney: to the Corporate 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
- 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, 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, FOR the amendments to the Corporation's by-laws and AGAINST the Shareholder proposal.

In the event an amendment to the matters discussed above or new matters come before the Meeting, your Proxyholder may vote your shares regarding such matters in accordance with their best judgment.



## **How to Attend the Webcast of the Meeting as a Guest?**

In addition to your right to attend the Meeting as a shareholder (see instructions above), you may also attend the Meeting as a guest (without the right to vote). You need to log in at the following address: <https://wwwICASTpro.ca/eia210506b> and then complete the online form. As a guest you can attend the Meeting, but you are not entitled to vote.

The recording of the Meeting will be available at least until the next Meeting is held. It will be accessible on the "Investor Relations" section of our website ([ia.ca/investorrelations](http://ia.ca/investorrelations)).

# Our Directors

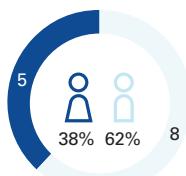
Our Board of Directors consists of men and women with rich and diverse skill sets, who use their expertise to serve the Corporation and its various stakeholders. Our directors are a constant source of inspiration in terms of professionalism, integrity and ethical behaviour which reflects on the entire organization, inspiring all managers and employees.

**As at December 31, 2020**

**12**

of our 13 directors are independent

Diversity fosters  
a variety of ideas  
and opinions



Average age:

**60**

Attendance rate at Board and committee meetings:

Average tenure:  
**4.09 years**

Board:

**98 %**

Committees:

**100 %**

## Our Practices Governing the Composition and Renewal of the Board of 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 checklist that you will find hereafter in the section entitled "Board Member Areas of Expertise and Knowledge".

In evaluating director competences and the composition of the Board of Directors, the Governance and Ethics Committee considers the profiles of the directors currently in place as well as emerging needs in order to support the strategic directions and independently monitor the management of the Corporation and support its development and strategic planning. It also takes into account additional criteria such as diversity, independence and availability.

Competencies sought and specified in the competency checklist include, in particular, knowledge of one or more of the markets in which the Corporation operates, including financial services and experience relating to corporate management and governance of large corporations. Competencies sought in the areas such as of financial expertise, legal

and regulatory, talent management, sales, distribution and client experience, information technologies, risk management and also in corporate social responsibility and sustainable development are also specified in the Board competency checklist.

## **Board Independence**

The Governance and Ethics Committee and the Board ensure that the majority of the Board members are independent directors in compliance with the *Board of Directors Independence Policy*, which is explained in more detail in the section “Our Governance Practices”. The only director who is not independent from the Corporation is Mr. Denis Ricard who is its President and Chief Executive Officer.

## **Board Diversity**

We believe that a diverse Board favours a diversity of ideas and opinions, reduces the risks associated with groupthink and ensures that the Board reflects a wide range of knowledge, skills and experience.

The *Board Diversity Policy* confirms the Board’s commitment to encourage diversity among its members. 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. In addition to the qualifications, experience and skills sought for all Board members, 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 has also established in its policy that it aspires to achieve gender parity on its Board of Directors.

It is in this spirit that the Governance and Ethics Committee and the Board ensure that a slate of highly qualified and diversified candidates is developed as part of the process of seeking and selecting candidates for election as directors. To assist them in this task, the Committee and the Board may call upon independent advisors who must also take into account the importance of diversity for the Corporation in their recommendations.

As at December 31, 2020, 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 2021 will be 38 % and 42 % 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, 2020, the average age of the members of the Board of Directors was 60 years of age and the average tenure of the directors was 4.09 years. After the Meeting, if all the nominees are elected, the average age of the members of the Board of Directors will be 60 years, and the average tenure of the directors will be 3.21 years.

**Prior to the  
Meeting  
(as at  
December 31,  
2020)**

Average age:  
**60 years**

**After the  
Meeting**

Average age:  
**60 years**



Average tenure:  
**4.09 years**

Average tenure:  
**3.21 years**

## Majority Voting

Our *Policy Regarding the Majority Election of Directors*, which was updated in 2020, 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 meeting at which a director does not receive a majority of the votes cast in favour of his or her election, the Board, upon recommendation of the Governance and Ethics Committee, 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. This policy does not apply to a director who is not recommended by the Board during a contested election.

## 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, the policy provides that if more than two directors wish to serve together on the board of another reporting issuer, they must obtain the consent 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.

This year, 13 directors were nominated for election to the Board for a one-year term. Of these, two are new nominees, namely Ms. Suzanne Rancourt and Mr. William F. Chinery. Mr. Mario Albert, for his part, joined the Board in November 2020. Ms. Agathe Côté and Mr. Claude Lamoureux will retire from the Board as of May 6, 2021.

For the information related to the ownership of the Corporation's securities, found in the following pages, the "Total Market Value" of the Common Shares and of the Deferred Share Units ("DSU") (as explained in the "Directors' Compensation" section) is determined by multiplying the closing price of the Common Shares on the Toronto Stock Exchange on March 9, 2021 (\$67.10) and March 9, 2020 (\$53.63) by the number of Common Shares and DSUs owned by the director on these dates.

## Mario Albert



**BA, MA**

**Age: 64**

**Residence:  
Quebec (Quebec)  
Canada**

Director since  
November 2020  
Independent

Mario Albert held the position of Executive Vice President and responsible for modernizing systems in the group insurance sector at La Capitale from 2017 until his retirement in 2020. Prior to that, he held several management positions in private, public and parapublic organizations in Quebec. In particular, he was General Manager of Finance Montréal, a not-for-profit corporation formed by financial institutions doing business in Quebec and aimed at the development and influence of the Quebec financial sector. He was President and Chief Executive Officer of Investissement Québec and worked at the Autorité des marchés financiers, where he served as Superintendent, Distribution and, subsequently, as President and Chief Executive Officer. As part of this role, he was a member of the Board of Directors of the International Organization of Securities Commissions (IOSCO) and Chairman of its Audit Committee. Before joining the Autorité des marchés financiers, Mr. Albert was Assistant Deputy Minister responsible for fiscal policy and the economy at the Quebec Ministry of Finance.

Mr. Albert began his career at the Department of Finance Canada in 1982. After holding positions of increasing responsibility, he was Chief, Canadian Economic Forecasting.

Mr. Albert studied at Université Laval where he obtained a Bachelor's degree in Economics in 1979. He also completed the Master's degree program in Economics at Laval University in 1982.

Board/Committee Membership	Attendance	Publicly Traded Company Board Membership During Last Five Years
Board of Directors	2/2 <sup>(1)</sup> 100 %	N/A
<b>Areas of Expertise</b>		
– Corporate Management		
– Legal and Regulatory		
– Business Areas		
– IT Management		
<b>Securities Held</b>		
March 9, 2021		
Common Shares		-
DSUs		57
Total – Common Shares and DSUs		57
Total Market Value – Common Shares and DSUs	\$ 3,825 <sup>(2)</sup>	
Minimum Ownership Requirement		\$360,000

(1) Mr. Albert has been a member of the Board of Directors since November 4, 2020.

(2) As at March 9, 2021, Mr. Albert was still in compliance with the five-year time limit for attaining the minimum ownership requirement.

# William F. Chinery



**B.Math. (Hon), FCIA, FSA, ICD.D**

**Age: 66**

**Residence:  
Toronto (Ontario)  
Canada**

New Nominee  
Independent

William F. Chinery is a corporate director. Until early 2013, he was President and Chief Executive Officer of BlackRock Asset Management Canada. During his 13 years with BlackRock and its predecessor, Barclays Global Investors, Mr. Chinery was a Managing Director in both the Toronto and San Francisco offices with various responsibilities including heading the Latin America and the Americas Institutional Business. Prior to BlackRock, he spent 6 years as Senior Vice President Quantitative Products at YMG Capital Management Inc. where he was responsible for managing Tactical Asset Allocation products for pension plans and mutual funds. He started his career at Mercer where he had account responsibility for some of the largest pension plans in Canada. He also started the Mercer Investment Consulting practice.

Mr. Chinery is currently on the Board of the Ontario Teachers' Pension Plan and is Chair of their Investment Committee. He is also a member of the Investment Committee of GreenSky Capital Inc.

Mr. Chinery is a Fellow of the Society of Actuaries and a Fellow of the Canadian Institute of Actuaries. He holds a B.Math. with honours from the University of Waterloo and has his ICD.D title from the Institute of Corporate Directors.

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

## Areas of Expertise

- Financial
- Risk Management
- Sales, Distribution and Client Experience
- Business Areas

Securities Held	March 9, 2021
Common Shares	-
DSUs	-
Total – Common Shares and DSUs	-
Total Market Value – Common Shares and DSUs	-
Minimum Ownership Requirement	N/A

## Benoit Daignault



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 Programme 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.

**BBA, CFA**

**Age: 57**

**Residence:  
Hudson (Quebec)  
Canada**

Director since  
May 2019  
Independent

Obtained 99.93 %  
of votes FOR at the  
2020 Annual Meeting

Board/Committee Membership	Attendance	Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	12/12 100 %	N/A	
Investment Committee	5/5 100 %		
Human Resources and Compensation Committee	8/8 100 %		

Areas of Expertise	Securities Held	March 9, 2021	March 9, 2020
– Corporate Management	Common Shares	1,499	74
– Financial	DSUs	3,178	792
– Business Areas	Total – Common Shares and DSUs	4,677	866
– Talent Management	Total Market Value – Common Shares and DSUs	\$313,827 <sup>(2)</sup>	\$ 46,444 <sup>(1)</sup>
	Minimum Ownership Requirement	\$360,000	\$300,000

(1) As at March 9, 2020, Mr. Daignault was still in compliance with the five-year time limit for attaining the minimum ownership requirement.

(2) As at March 9, 2021, Mr. Daignault was still in compliance with the five-year time limit for attaining the minimum ownership requirement and the additional minimum ownership requirement following the increase in the annual retainer on October 1, 2020.

# Nicolas Darveau-Garneau



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 of 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. 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 honours from Harvard Business School and a bachelor's degree in mathematics from University of Waterloo. Since 2012, he has been a director of several not-for-profit organizations.

**B. Math., MBA**

**Age: 52**

**Residence:  
Los Gatos (California)  
U.S.A.**

Director since May 2018  
Independent

Obtained 97.30 %  
of votes FOR at the  
2020 Annual Meeting

Board/Committee Membership	Attendance	Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	11/12    92 %	TMX Group Limited	2018 –
Human Resources and Compensation Committee	8/8    100 %		

Areas of Expertise	Securities Held	March 9, 2021	March 9, 2020
– Sales, Distribution and Client Experience	Common Shares	-	-
– Talent Management	DSUs	6,403	3,625
– Business Areas	Total – Common Shares and DSUs	6,403	3,625
– IT Management	Total Market Value – Common Shares and DSUs	\$429,641 <sup>(2)</sup>	\$194,409 <sup>(1)</sup>
	Minimum Ownership Requirement	\$482,940 <sup>(3)</sup>	\$300,000

- (1) As at March 9, 2020, Mr. Darveau-Garneau was still in compliance with the five-year time limit for attaining the minimum ownership requirement and the additional minimum ownership requirement following the increase in the annual retainer on October 1, 2018.
- (2) As at March 9, 2021, Mr. Darveau-Garneau was still in compliance with the five-year time limit for attaining the minimum ownership requirement and the additional minimum ownership requirement following the increases in the annual retainer on October 1, 2018 and on October 1, 2020.
- (3) Mr. Darveau-Garneau must hold Common Shares or DSUs for an amount corresponding to three times his annual retainer (3 times US\$120,000). This amount has been converted into Canadian dollars using the 2020 average annual exchange rate of US\$360,000 at a rate of 1.3415 = CAN\$482,940, in accordance with the *Director Share Ownership Policy*.

# Emma K. Griffin



**BA (Oxon), MA (Oxon)**

**Age: 48**

**Residence:  
Henley on Thames  
(Oxfordshire) U.K.**

Director since  
May 2016  
Independent

Obtained 99.58 %  
of votes FOR at the  
2020 Annual Meeting

Emma K. Griffin is a corporate director. Since November 2017, she acts as director of Claridge Inc., a private investment company. She is also a director at Solotech, an organization that offers audiovisual and entertainment technology services and St. James's Place PLC, an FTSE 100 wealth manager. In October 2020, Ms. Griffin joined the Board of Directors of SDCL Energy Efficiency Income Trust PLC, an investor in the energy efficiency sector and, in December 2020, of ED&F Man Holdings Limited, a marketer of agricultural products. From December 2015 to November 2018, she was a director and strategic advisor for Golder Associates, a global organization offering environmental services. From January 2016 to June 2019, Ms. Griffin was also a director of Aimia Inc. From January 2014 to June 2015, she 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 core brokerage 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 for personalized medicine research. She holds an MA from Oxford University.

Board/Committee Membership	Attendance	Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	12/12 100 %	SDCL Energy Efficiency Income Trust PLC	2020 –
Investment Committee (Chair)	5/5 100 %	St. James's Place PLC	2020 –
Human Resources and Compensation Committee	8/8 100 %	Aimia Inc.	2016 – 2019

Areas of Expertise	Securities Held	March 9, 2021	March 9, 2020
– Financial	Common Shares	555	555
– Corporate Management	DSUs	2,702	642
– Corporate Governance	Total – Common Shares and DSUs	3,257	1197
– Risk Management	Total Market Value – Common Shares and DSUs	\$218,545 <sup>(2)</sup>	\$ 64,195 <sup>(1)</sup>
	Minimum Ownership Requirement	\$360,000	\$300,000

- (1) As at March 9, 2020, Ms. Griffin was still in compliance with the five-year time limit for attaining the minimum ownership requirement and the additional minimum ownership requirement following the increase in the annual retainer on October 1, 2018.
- (2) As at March 9, 2021, Ms. Griffin was still in compliance with the five-year time limit for attaining the minimum ownership requirement and the additional minimum ownership requirement following the increases in the annual retainer on October 1, 2018 and on October 1, 2020.

## Ginette Maillé



**BBA, CPA, CA, ICD.D**

**Age: 58**

**Residence:  
Montreal (Quebec)  
Canada**

Director since  
July 2019  
Independent

Obtained 99.96 %  
of votes FOR at the  
2020 Annual Meeting

Ginette Maillé has been Vice President, Finance and Administration and Chief Financial Officer at Aéroports de Montréal since April 2017. Ms. Maillé has more than 30 years of financial, operational and strategic experience in startups and large companies, both private and publicly listed (TSX and NASDAQ), operating nationally and internationally. In particular, she was with Yellow Pages Ltd. for 14 years, where she held the position of Vice President and Chief Accounting Officer to later be promoted to Executive Vice President and Chief Financial Officer. She has also held several management positions in the field of information technology, particularly in the area of digital transformation. A Chartered Professional Accountant, Ms. Maillé holds a Bachelor of Accounting Science from Université du Québec à Montréal. She sat on the board of Financial Executives International Canada (Quebec chapter) from 2014 to 2017. She is currently a member of the Board of Directors of La Fondation Le Chaînon.

Board/Committee Membership	Attendance	Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	12/12 100 %	N/A	
Audit Committee	7/7 100 %		
<b>Areas of Expertise</b>			
– Financial	Securities Held	March 9, 2021	March 9, 2020
– Risk Management	Common Shares	-	-
– Corporate Governance	DSUs	1,585	-
– IT Management	Total – Common Shares and DSUs	1,585	\$ 0
	Total Market Value – Common Shares and DSUs	\$106,354 <sup>(2)</sup>	\$ 0 <sup>(1)</sup>
	Minimum Ownership Requirement	\$360,000	\$300,000

(1) As at March 9, 2020, Ms. Maillé was still in compliance with the five-year time limit for attaining the minimum ownership requirement.

(2) As at March 9, 2021, Ms. Maillé was still in compliance with the five-year time limit for attaining the minimum ownership requirement and the additional minimum ownership requirement following the increase in the annual retainer on October 1, 2020.

# Jacques Martin



Jacques Martin has been the Chair of the Board since September 2018. He is a corporate director and 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 and a Bachelor of Law from Université de Montréal. Mr. Martin also holds an MBA and a certificate in corporate governance from INSEAD. He is a member of the Quebec Bar.

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

**Age: 65**

**Residence:  
Larchmont (New York)  
U.S.A**

Director since  
January 2011  
Independent

Obtained 99.11 %  
of votes FOR at the  
2020 Annual Meeting

Board/Committee Membership	Attendance	Publicly Traded Company Board Membership During Last Five Years
Board of Directors (Chair)	12/12 100 %	N/A
Governance and Ethics Committee (Chair)	4/4 100 %	
Human Resources and Compensation Committee	8/8 100 %	

**Areas of Expertise**

- Business Areas
- Financial
- Talent Management
- Social Responsibility and Sustainable Development

Securities Held	March 9, 2021	March 9, 2020
Common Shares	10,000	7,500
DSUs	290	-
Total – Common Shares and DSUs	10,290	7,500
Total Market Value – Common Shares and DSUs	\$ 690,459 <sup>(2)</sup>	\$ 402,225 <sup>(1)</sup>
Minimum Ownership Requirement	\$1,086,615 <sup>(3)</sup>	\$660,000

- (1) As at March 9, 2020, Mr. Martin was still in compliance with the five-year time limit for attaining the additional minimum ownership requirement following his appointment as Chair of the Board on September 6, 2018 and following the increase in the annual retainer on October 1, 2018.
- (2) As at March 9, 2021, Mr. Martin was still in compliance with the five-year time limit for attaining the additional minimum ownership requirement following his appointment as Chair of the Board on September 6, 2018 and following the increases in the annual retainer on October 1, 2018 and on October 1, 2020.
- (3) Mr. Martin must hold Common Shares or DSUs for an amount corresponding to three times his annual retainer (3 times US\$270,000). This amount has been converted into Canadian dollars using the 2020 average annual exchange rate of US\$810,000 at a rate of 1.3415 = CAN\$1,086,615, in accordance with the *Director Share Ownership Policy*.

## Monique Mercier



**LL. B., M. Phil., Ad. E.**

**Age: 64**

**Residence:  
Outremont (Quebec)  
Canada**

Director since  
May 2019  
Independent

Obtained 98.50 %  
of votes FOR at the  
2020 Annual Meeting

Monique Mercier is a corporate director. During her career, she has held various executive roles in the telecommunications and technology industry. From 2014 until she retired in December 2018, she held the position of Executive Vice President, Corporate Affairs and Chief Legal and Governance Officer at TELUS. She oversaw legal and regulatory affairs, government relations, media, real estate and sustainable development. She began her career at Stikeman Elliott as a tax lawyer in 1984. She then worked at BCE and Bell Canada International before joining Emergis in 1999, which was acquired by TELUS in 2008. Ms. Mercier holds a degree from the Faculty of Law at Université de Montréal and a master's degree in political science from Oxford University, where she was awarded the prestigious Commonwealth Scholarship. In June 2018, Ms. Mercier received a Lifetime Achievement Award at the Canadian General Counsel Awards. In 2016, she was honoured as Woman of the Year by the organization Women in Communications and Technology (WCT). In 2015, she was inducted into the Hall of Fame of the Women's Executive Network Top 100 Most Powerful Women in Canada. Ms. Mercier sits on the Board of Directors of the Bank of Canada, Innergex Renewable Energy Inc. and Alamos Gold Inc. She gives back to the community through her involvement on the Boards of Directors of the Canadian Cancer Research Society and the Thoracic Surgery Research Foundation of Montreal.

Board/Committee Membership	Attendance	Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	12/12 100 %	Alamos Gold Inc.	2019 –
Audit Committee	7/7 100 %	Innergex Renewable Energy Inc.	2015 –
Governance and Ethics Committee	4/4 100 %		

### Areas of Expertise

- Corporate Management
- Legal and Regulatory
- Talent Management
- Corporate Governance

Securities Held	March 9, 2021	March 9, 2020
Common Shares	2,142	2,061
DSUs	3,808	1,406
Total – Common Shares and DSUs	5,950	3,467
Total Market Value – Common Shares and DSUs	\$399,245	\$185,935 <sup>(1)</sup>
Minimum Ownership Requirement	\$360,000	\$300,000

(1) As at March 9, 2020, Ms. Mercier was still in compliance with the five-year time limit for attaining the minimum ownership requirement.

## Danielle G. Morin



**B. Sc., ICD.D**

**Age: 65**

**Residence:  
Longueuil (Quebec)  
Canada**

Director since  
May 2014  
Independent

Obtained 96.96 %  
of votes FOR at the  
2020 Annual Meeting

Danielle G. Morin has extensive experience in finance, including more than 35 years of experience in various sectors of the financial services industry. She worked for Sun Life Assurance Company of Canada from 1977 until 1990 and for the Laurentian Imperial Company from 1990 until 1994, where she was Senior Vice President and Chief Operating Officer. She then worked for Desjardins Group in the group pensions and pooled investment funds areas, before joining Canagex Inc., a Desjardins Group investment subsidiary, as Vice President, Finance and Operations, in 1999. In 2001, she joined the Public Sector Pension Investment Board as Senior Vice President of Financial Operations. Ms. Morin then worked as Senior Vice President, Distribution and Client Services, at Standard Life Investments Inc., from 2006 until 2013. Ms. Morin has also been on the boards of ASSURIS, Standard Life Investments Inc., Université Laval and the Fondation de l'Université Laval. She graduated from the Institute of Corporate Directors and obtained her bachelor's degree in actuarial science from Université Laval. She was a Fellow of the Canadian Institute of Actuaries from 1980 to 2019.

Board/Committee Membership	Attendance	Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	12/12	100 %	N/A
Audit Committee (Chair)	7/7	100 %	
Governance and Ethics Committee	4/4	100 %	

### Areas of Expertise

- Business Areas
- Financial
- Sales, Distribution and Client Experience
- Risk Management

Securities Held	March 9, 2021	March 9, 2020
Common Shares	5,535	5,135
DSUs	2,548	2,363
Total – Common Shares and DSUs	8,083	7,498
Total Market Value – Common Shares and DSUs	\$542,369	\$402,118
Minimum Ownership Requirement	\$360,000	\$300,000

## Marc Poulin



**B. Sc., MBA**

**Age: 59**

**Residence:  
Outremont (Quebec)  
Canada**

Director since  
May 2018  
Independent

Obtained 98.46 %  
of votes FOR at the  
2020 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 had 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 Human Resources Committees of Richelieu Hardware Ltd. and 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	11/12 92 %	Sportscene Group Inc.	2018 –
Audit Committee	7/7 100 %	Richelieu Hardware Ltd.	2013 –
Human Resources and Compensation Committee (Chair)	8/8 100 %	Empire Company Limited	2012 – 2016

### Areas of Expertise

- Corporate Management
- Sales, Distribution and Client Experience
- Financial
- Talent Management

Securities Held	March 9, 2021	March 9, 2020
Common Shares	4,500	4,500
DSUs	3,924	1,652
Total – Common Shares and DSUs	8,424	6,152
Total Market Value – Common Shares and DSUs	\$562,250	\$329,932
Minimum Ownership Requirement	\$360,000	\$300,000

## Suzanne Rancourt



**BAA, CPA, CGA, ICD.D**

**Age: 62**

**Residence:**  
Verdun, L'Île-des-Soeurs  
(Quebec)  
Canada

New Nominee  
Independent

Suzanne Rancourt is a corporate director with more than 30 years of experience in consulting and management in finance and information technology. From 2006 to 2016, she was Vice-President Enterprise Risks and Internal Audit at CGI. Since her arrival at CGI in 1985, she held increasingly senior positions in consulting, strategy and information technology, business development, project management and corporate functions in a multinational environment. Prior to her arrival at CGI, Ms. Rancourt began her career as an auditor and worked in operations, finance and accounting in distribution, retail and financial industries.

She holds a bachelor's degree in Business Administration from Université du Québec à Montréal and an ICD.D designation from the Institute of Corporate Directors. She is a Chartered Professional Accountant (CPA, CGA). Ms. Rancourt sits also on the Boards of Directors of WSP and the Institute of Corporate Directors (Quebec).

Board/Committee Membership	Attendance	Publicly Traded Company Board Membership During Last Five Years
Board of Directors	-	WSP Global Inc. 2016 –

### Areas of Expertise

- IT Management
- Risk Management
- Financial
- Corporate Governance

Securities Held	March 9, 2021
Common Shares	1,500
DSUs	–
Total – Common Shares and DSUs	1,500
Total Market Value – Common Shares and DSUs	\$100,650
Minimum Ownership Requirement	N/A

# Denis Ricard



**B. Sc., FSA, FCIA**

**Age: 59**

**Residence:  
Pont-Rouge (Quebec)  
Canada**

Director since  
September 2018  
Non-independent (Management)

Obtained 99.96 %  
of votes FOR  
at the 2020 Annual Meeting

Denis Ricard is President and Chief Executive Officer of the Corporation, a position that he has held since September 1, 2018. Mr. Ricard began his career with the Corporation in 1985, where he assumed several positions. In 2003, he became Vice President, Marketing, and then in March 2004, 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. He is also a member of the Board of Directors of the Canadian Life and Health Insurance Association (CLHIA) and Chair of its Quebec chapter.

Denis Ricard has been involved in the community for many years. He currently serves on the campaign cabinet of Fondation CERVO, which supports care for mental health issues and research in neuroscience. He is also a member of the campaign cabinet for the Fondation IUCPQ whose primary mission is the health of people with cardiovascular, respiratory and obesity-related diseases. He also serves as honorary chair for various charitable events and campaigns, including the Énergie Scolaire program for the Fondation Forces AVENIR, empowering students to be responsible citizens.

Board/Committee Membership	Attendance	Publicly Traded Company Board Membership During Last Five Years	
Board of Directors	12/12    100 %	N/A	
<b>Areas of Expertise</b>			
– Business Areas		Securities Held	March 9, 2021
– Corporate Management		Common Shares	42,000
– Financial		DSUs	46,701
– Talent Management		Total – Common Shares and DSUs	88,701
		Total Market Value – Common Shares and DSUs	\$5,951,837
		Minimum Ownership Requirement <sup>(1)</sup>	\$2,850,000
<sup>(1)</sup> Mr. Ricard must hold Common Shares or DSUs in an amount equivalent to three times his annual base salary, in accordance with the <i>Executive Share Ownership Policy</i> .			

(1) Mr. Ricard must hold Common 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: 56**

**Residence:  
Quebec City (Quebec)  
Canada**

Director since  
May 2016  
Independent

Obtained 99.36 %  
of votes FOR  
at the 2020 Annual Meeting

Louis Têtu is President, Chief Executive Officer and a member of the Board of Directors of Coveo Solutions Inc., an artificial intelligence customer experience 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 Supply Chain Solutions, 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 has served on the Board of Directors of Alimentation Couche-Tard inc. since 2019 and is also Chair of the Board of Petal Solutions Inc., a social platform developer for the medical sector. He 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, and on the Board of Directors of Aéroport de Québec inc. from 2013 to 2019.

Board/Committee Membership	Attendance	Publicly Traded Company Board Membership During Last Five Years
Board of Directors	12/12	100 % Alimentation Couche-Tard inc. 2019 –
Governance and Ethics Committee	4/4	100 %

### Areas of Expertise

- IT Management
- Talent Management
- Sales, Distribution and Client Experience
- Corporate Management

Securities Held	March 9, 2021	March 9, 2020
Common Shares	– <sup>(1)</sup>	–
DSUs	10,133	7,474
Total – Common Shares and DSUs	10,133	7,474
Total Market Value – Common Shares and DSUs	\$679,924	\$400,831
Minimum Ownership Requirement	\$360,000	\$300,000

(1) Mr. Têtu also has control over 2 500 Common Shares of the Corporation. Those shares are not included in Mr. Têtu's minimum ownership requirement because he does not personally own them.

## 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 and the knowledge essential to our operations.

Board Competency Profile	Mario Albert	William F. Chinery	Benoit Daignault	Nicolas Darveau-Garneau	Emma K. Griffin	Ginette Maillé	Jacques Martin	Monique Mercier	Danielle G. Morin	Marc Poulin	Suzanne Rancourt	Denis Ricard	Louis Tétu
<b>1. Business areas</b> – knowledge of one or more of the markets in which the Corporation operates, including financial services, the sale and distribution of financial products and services, wealth management, real estate and international financial markets.	○	○	○	○		○	○		○		○		
<b>2. Key competencies</b> – Business experience in one or more of the following areas:													
– <b>Corporate management:</b> competencies in corporate management (public companies or large corporations operating in heavily regulated industries), strategic planning, organizational development and transformation (CEO experience or similar);	○	○	○		○	○	○	○	○	○	○	○	○
– <b>Corporate governance:</b> competencies in corporate governance practices of large corporations.	○	○	○	○	○	○	○	○	○	○	○	○	○
<b>3. Functional expertise</b> – Expertise in one or more of the following functions:													
– <b>Financial:</b> expertise in the finance, accounting, actuarial, or investment area;	○	○	○	○	○	○	○	○	○	○	○	○	○
– <b>Talent management:</b> expertise in organizational development, compensation, leadership development, talent management and succession planning;	○	○	○		○	○	○	○	○	○	○	○	

### Board Competency Profile

	Mario Albert	William F. Chinery	Benoit Daignault	Nicolas Darveau-Garneau	Emma K. Griffin	Ginette Maillé	Jacques Martin	Monique Mercier	Danielle G. Morin	Marc Poulin	Suzanne Rancourt	Denis Ricard	Louis Tétu
- <b>Sales, distribution and client experience:</b> expertise in sales, distribution and the company-client relationship;	○		○ ○				○	○		○ ○	○ ○		○ ○
- <b>IT Management:</b> expertise in digital strategy, online services, information management and security data management;	○		○ ○	○						○	○		○ ○
- <b>Legal and regulatory:</b> expertise in complex legal systems and relationships with governments in heavily regulated industries;	○				○ ○								
- <b>Risk management:</b> expertise in identification, assessment, mitigation and monitoring of risks and their related controls;	○ ○			○ ○ ○			○ ○ ○ ○	○ ○ ○ ○		○ ○ ○ ○			
- <b>Social responsibility and sustainable development:</b> experience in corporate social responsibility, sustainable development and repercussions on the various stakeholders.				○ ○ ○ ○						○			

## 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 page 36.

The chart on page 38 shows the total compensation paid to the directors for services rendered to iA Financial Corporation and iA Insurance in 2020. The compensation is divided equally between the two corporations.

In accordance with the current policy, directors' compensation is analysed 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 and that it is competitive and fair, without compromising directors' independence.

A review of the directors' compensation was performed in 2020. The consulting firm Towers Watson Canada Inc. ("Towers Watson") was retained and assisted the Committee with its analysis. This analysis involved reviewing the composition of the comparator group and comparing compensation of non-executive members of the Board of Directors with that of the following comparator group:

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

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

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

The analysis showed that the compensation offered to the directors of iA Financial Corporation was below the market, if compared with the comparator group. Considering the magnitude of the gap observed and the potential competitiveness issues this could cause on the recruitment and retention of talented directors, adjustments had to be made quickly. However, considering the health crisis related to Covid-19, the Committee recommended filling only part of the gap observed with the market. The Committee will reassess in the future whether further adjustments should be made to close the remaining gap.

### Our 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 increases, effective October 1, 2020, were recommended by the Governance and Ethics Committee to fill part of the gap with the market and were accepted by the Board of Directors:

- The annual retainer for the Chairman of the Board was increased from \$220,000 to \$270,000. Of this amount, \$50,000 is paid in Deferred Share Units (DSUs);
- The annual retainer for directors serving on the Board of Directors was increased from \$100,000 to \$120,000. Of this amount, \$20,000 is paid in DSUs.

Since October 1, 2020, compensation offered to U.S. directors is now paid in U.S. dollars, regardless of the exchange rate between the Canadian and the U.S. dollar. This change was adopted in order to maintain the competitiveness of iA Financial Corporation's director compensation policy compared to the U.S. market to be able to attract and retain directors residing in the United States.

Finally, the additional annual compensation paid to the Chairman and members of the Audit Committee increased from \$25,000 to \$35,000 and from \$15,000 to \$20,000 respectively, considering the number of committee meetings as well as the time allocated for committee members to prepare for and attend meetings.

The following table summarizes the various elements of compensation paid to the Board and committee members for 2020:

	From January 1, 2020 to September 30, 2020 (\$)	From October 1, 2020 to December 31, 2020 (\$) <sup>(1)</sup>
Board Chair Annual Retainer	220,000	270,000
Directors' Annual Retainer <sup>(2)</sup>	100,000	120,000
<b>Additional Committee Chair Retainer <sup>(3)</sup></b>		
Audit Committee	25,000	35,000
Investment Committee	25,000	25,000
Human Resources and Compensation Committee	25,000	25,000
Governance and Ethics Committee	25,000	25,000
<b>Additional Committee Member Retainer <sup>(4)</sup></b>		
Audit Committee	15,000	20,000
Investment Committee	15,000	15,000
Human Resources and Compensation Committee	15,000	15,000
Governance and Ethics Committee	15,000	15,000
Board or Committee Attendance Fees in the event of more than two additional meetings (not planned in the directors' approved schedule) per year <sup>(5)</sup>	1,500 in person 1,000 by telephone	1,500 in person 1,000 by telephone
Attendance Fees for Special Non-Meeting Mandates upon Chair of the Board Approval	1,500	1,500
Travel Allowance <sup>(6)</sup>	1,500	1,500

- (1) All fees for a director residing in the United States, including attendance fees and travel allowances, are paid in U.S. currency without taking into account the exchange rate between the Canadian dollar and the U.S. dollar. For greater certainty, the fees for U.S. resident directors are the same as those for other directors.
- (2) Other than the Chair of the Board.
- (3) The Chair of the Board does not receive this compensation.
- (4) The Chair of the Board and the Committee Chairs do not receive additional fees as committee members.
- (5) If a meeting is spread over two days, attendance fees shall be paid for each of the days.
- (6) Applies to a director who resides outside of the provinces of Quebec and Ontario, to attend one or more Board and/or committee meetings in Quebec.

Directors' compensation is paid in cash and DSUs. A DSU is a bookkeeping entry, which equals to the value of the Common Shares credited to an account in the name of the director and accumulates notional dividends. DSUs accumulated by a director are payable in cash on a specified date after the director leaves the Board.

Since October 1, 2020, except for the Chairman of the Board who receives \$50,000 of his annual retainer in DSUs, all directors must receive \$20,000 of their annual retainer in DSUs. The number of DSUs that is granted is determined by dividing the amount of compensation payable in DSUs by the weighted average closing price of a Common Share of iA Financial Corporation on the Toronto Stock Exchange for the five trading days preceding the grant date. For directors who receive their compensation in U.S. dollars, the amount payable in DSUs will be converted into Canadian dollars using the daily average exchange rate applicable on the date of grant of the DSUs.

If directors wish to receive all or a greater portion of their annual cash compensation, in DSUs, they must notify the Secretary of the Corporation before December 31 of a given year, for the compensation that is payable the following year, failing which, the election applicable for the year that ends will be applicable for the following year.

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 of the Corporation.**

The Corporation and iA Insurance have 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 these Boards of Directors after 10 years of service, also at no charge.

The following table shows total compensation paid to the directors for the year ended December 31, 2020:

	Fees <sup>(1)</sup> Received in Cash	Fees <sup>(1)</sup> Received as DSUs	Percentage in DSUs	Total
	\$	\$	%	\$
Mario Albert	15,833	3,167	17	<b>19,000</b>
Agathe Côté	93,625	45,625	33	<b>139,250</b>
Benoit Daignault	22,750	119,750	84	<b>142,500</b>
Nicolas Darveau-Garneau	0	137,540	100	<b>137,540<sup>(2)</sup></b>
Emma K. Griffin	53,850	100,150	65	<b>154,000</b>
Claude Lamoureux	78,833	59,167	43	<b>138,000</b>
Ginette Maillé	47,917	77,833	62	<b>125,750</b>
Jacques Martin	250,794	15,915	6	<b>266,709<sup>(3)</sup></b>
Monique Mercier	19,271	124,479	87	<b>143,750</b>
Danielle G. Morin	147,000	5,000	3	<b>152,000</b>
Marc Poulin	43,750	110,000	72	<b>153,750</b>
Denis Ricard	0	0	0	<b>0</b>
Louis Tétu	0	123,000	100	<b>123,000</b>
<b>Total</b>	<b>773,623</b>	<b>921,626</b>		<b>1,695,249</b>

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

(2) Mr. Darveau-Garneau's compensation for the fourth quarter of 2020 payable in US dollars (US\$36,750), was paid in DSU (this amount has been converted into Canadian dollars using the exchange rate at the time of payment, being 1.2732 = CAN\$46,790).

(3) Mr. Martin's compensation for the fourth quarter of 2020 was paid in US dollars (US\$73,500) and converted into Canadian dollars using the exchange rate at the time of payment (for the portion payable in cash, being US\$61,000 at a rate of 1.2835 = CAN\$78,294 and for the portion payable in DSU, being US\$12,500 at a rate of 1.2732 = CAN\$15,915).

## Director Share Ownership Policy

Our *Director Share Ownership Policy* is intended to encourage non-executive directors to hold Common Shares or DSUs for an amount equivalent to three times the annual retainer payable to the director and, if any, converted into Canadian dollars using the average annual exchange rate in effect for the year preceding the valuation date. 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 regain compliance 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 day preceding the date of the Circular. In accordance with this policy, 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 share-based compensation awards.

Corporation Common 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 2020 and directors' overall attendance at these meetings.

	Meetings	Attendance
Board of Directors	12	98 %
Audit Committee	7	100 %
Human Resources and Compensation Committee	8	100 %
Governance and Ethics Committee	4	100 %
Investment Committee	5	100 %
<b>Total</b>	<b>36</b>	<b>99 %</b>

## Composition of the Committees

The table below indicates the composition of the different committees as of March 9, 2021.

	Audit Committee	Human Resources and Compensation Committee	Governance and Ethics Committee	Investment Committee
Mario Albert				
Agathe Côté	<input type="radio"/>		<input type="radio"/>	
Benoit Daignault	<input type="radio"/>		<input type="radio"/>	
Nicolas Darveau-Garneau		<input type="radio"/>		
Emma K. Griffin	<input type="radio"/>			<input type="radio"/> (Chair)
Claude Lamoureux		<input type="radio"/>	<input type="radio"/>	
Ginette Maillé	<input type="radio"/>			
Jacques Martin <sup>(1)</sup>		<input type="radio"/>	<input type="radio"/> (Chair)	
Monique Mercier	<input type="radio"/>		<input type="radio"/>	
Danielle G. Morin	<input type="radio"/> (Chair)		<input type="radio"/>	
Marc Poulin	<input type="radio"/>	<input type="radio"/> (Chair)		
Denis Ricard				
Louis Tétu			<input type="radio"/>	

(1) As Chair of the Board of Directors, Mr. Martin is an ex officio member of all the committees.

## Director Attendance at Meetings

The table below presents an attendance record for directors at Board meetings and 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	%	
Mario Albert <sup>(1)</sup>	2 / 2	100	-	-	-	-	-	-	-	-	100
Agathe Côté	11 / 12	92	7 / 7	100	-	-	-	-	5 / 5	100	96
Benoit Daignault	12 / 12	100	-	-	8 / 8	100	-	-	5 / 5	100	100
Nicolas Darveau-Garneau	11 / 12	92	-	-	8 / 8	100	-	-	-	-	95
Emma K. Griffin	12 / 12	100	-	-	8 / 8	100	-	-	5 / 5	100	100
Claude Lamoureux	12 / 12	100	-	-	-	-	4 / 4	100	5 / 5	100	100
Ginette Maillé	12 / 12	100	7 / 7	100	-	-	-	-	-	-	100
Jacques Martin <sup>(2)</sup>	12 / 12	100	-	-	8 / 8	100	4 / 4	100	-	-	100
Monique Mercier	12 / 12	100	7 / 7	100	-	-	4 / 4	100	-	-	100
Danielle G. Morin	12 / 12	100	7 / 7	100	-	-	4 / 4	100	-	-	100
Marc Poulin	11 / 12	92	7 / 7	100	8 / 8	100	-	-	-	-	96
Denis Ricard	12 / 12	100	-	-	-	-	-	-	-	-	100
Louis Têtu	12 / 12	100	-	-	-	-	4 / 4	100	-	-	100
<b>Total</b>	<b>143 / 146</b>	<b>98</b>	<b>35 / 35</b>	<b>100</b>	<b>40 / 40</b>	<b>100</b>	<b>20 / 20</b>	<b>100</b>	<b>20 / 20</b>	<b>100</b>	<b>99</b>

(1) Mr. Albert has been a member of the Board of Directors since November 4, 2020.

(2) Mr. Martin is an ex officio member of all the committees. He attended all meetings.

## Additional Information

To the knowledge of the directors and executive 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) while such person was a director, chief executive officer or chief financial officer; or

- (ii) 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;
  - (iii) was subject to an order that was in effect for more than 30 consecutive days: a cease trade order, an order similar to a cease trade order or an order that denies the relevant company access to any exemption under securities legislation;
- 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 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) Ms. Ginette Maillé was Chief Financial Officer when Yellow Media Inc. carried out a recapitalization. A plan of arrangement was approved by the court under the *Canada Business Corporations Act*, pursuant to which the former securities of Yellow Media Inc. and all rights pertaining thereto were cancelled and exchanged against, as the case may be, an amount of cash and Common Shares and Company Warrants, as well as new Secured Senior Notes and new Subordinated Exchangeable Debentures of Yellow Media Inc. The arrangement took effect on December 20, 2012.

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 governance best practices in order to foster the Corporation's growth, increase value for shareholders and keep the confidence of clients, investors and stakeholders. These governance best practices are in line with our core values and promote the pursuit of our purpose, our mission and our ambition.

## Our Purpose

For our clients to be confident and secure about their future.

## Our Mission

To ensure the financial wellbeing of our clients by offering them personal insurance coverage and investment solutions to help them achieve their personal goals.

## Our Ambition

To be the company that best meets clients' expectations, in partnership with our distributors.

## Our Five Values

### Teamwork

Teamwork is the cornerstone of the Group'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**

---

## **Governance Framework**

The Corporation has always placed a very high priority on establishing and maintaining sound and prudent governance in the interests of the Corporation and its stakeholders. The *Governance Framework* links the Corporation's culture of integrity and purpose to its governance structure and key governance policies and practices. The *Governance Framework* is available on our website at ia.ca.

## **Practices, Policies and Code of Business Conduct**

We adhere to governance best 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 sound and 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 have 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**

The *Board Independence Policy* defines the criteria for assessing the independence of the Corporation's directors. It establishes the proportion of independent directors required within the Corporation's Board of Directors and its committees, as well as the specific independence criteria that apply in order to sit on certain committees. It also states the measures that have been put in place to monitor and ensure the independence of the Board and its directors.

In fact, under our *Board Independence Policy*, the Board must be independent of the Corporation. Accordingly, *all directors are independent of the Corporation, except for Mr. Denis Ricard*, who is the only director having a direct relationship with the Corporation as he acts as President and Chief Executive Officer.

The policy aims to achieve the following objectives: (i) clarify the situations in which a director cannot be considered independent, (ii) ensure that the Corporation's Board and its committees have the independence required to perform their decision-making and oversight duties effectively, and (iii) establish an ongoing monitoring process to assess and ensure the independence of directors.

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 relationship is considered material when such relationship could reasonably be expected by the Board 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 decision-making and oversight duties, including:

- the need for the Chair of the Board to be an independent director;
- the requirement 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, 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.

### ***Board Diversity Policy***

In order to encourage diversity on its Board, the Corporation has adopted the ***Board Diversity Policy***. According to this policy, when seeking and selecting candidates for Board membership, the Governance and Ethics Committee and the Board recruit the best possible candidates, while aiming to improve diversity in accordance with established objectives. The notion of diversity includes not only gender diversity, but also diversity with respect to ethnic origin, geographic origin, cultural identity, sexual orientation and age.

### ***Disclosure Policy***

The Corporation's communications must be timely, factual, accurate and balanced. They also must be widely available, 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.

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

Our policy establishes the foundations of the risks management program regarding fraud and other practices associated with financial crime within the Corporation and its subsidiaries. It deals, among other things, with accounting, internal accounting controls, or auditing matters. It applies to all our employees, officers and directors. Risk management regarding fraud and financial crime risk is a continual process supported by the implementation of measures for prevention, detection and monitoring, and by effective governance.

This policy and the *Code of Business Conduct* encourage employees to report all the Corporation's or its employees' unethical or suspicious practices. This policy was last reviewed in May 2020.

### **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 expected and required of them and the importance of acting ethically, honestly and with integrity at all times.

Every new employee and director are 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 fall 2020. The *Code of Business Conduct* is available on our website at ia.ca and on SEDAR website at 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 2020.

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 line known as the “Integrity Hotline” is in place.

The Integrity Hotline is a reporting tool that allows employees and suppliers of the Corporation and its subsidiaries to confidentially and anonymously report any questionable behaviour, behaviour that may seem illegal or fraudulent or against business ethics or any breach of trust of this *Code of Business Conduct* or the code of conduct intended for suppliers. 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 Vice President, Legal Services.

## **Transactions with restricted parties**

As the Corporation is a holding company operating through subsidiaries, transactions that could give rise to conflicts of interest situations are more likely to occur in these subsidiaries. The Group's insurance companies are governed by the *Insurers Act* (Quebec). This Act provides a strict framework for all transactions between an insurer and a restricted party within the meaning of that Act (a restricted party includes the insurer's directors and officers and persons related to them). In transactions between an insurer and a restricted party with respect to it, the insurer must act in the same manner as it would when dealing at arm's length. The transaction may not be less advantageous for the insurer than if it had been entered at arm's length. In addition, for certain types of transactions, such as the acquisition of securities or the transfer of assets, the Governance and Ethics Committee for each insurance companies of our Group must, when the amount exceeds the threshold provided for in their rules of ethics, recommend to its Board of Directors whether or not to approve the transaction.

Conflicts of interest are also covered by the Corporation's *Code of Business Conduct* which requires from any person who signs it to declare any situation that may constitute a conflict of interest. In addition, a questionnaire is sent annually to the Corporation's directors and officers to identify restricted parties with respect to it and the conflict of interest situations that could arise. Our *Procedures for Directors and Officers in case of Conflicts of Interest* are also sent to the directors and officers of the Corporation at the same time. In accordance with these procedures and with the *Business Corporations Act* (Quebec), any director or officer who is in a conflict of interest situation or who has an interest in a transaction with the Corporation must disclose his or her interest as soon as he or she becomes aware of it and, in the case of a director, abstain from voting on the matter if it is presented to the Board of Directors.

In accordance with its mandate, the Corporation's Governance and Ethics Committee receives an annual report on conflicts of interest, independence of directors and compliance with the *Code of Business Conduct*. As part of its review of this report, the Committee becomes aware of situations that may constitute conflicts of interest.

## 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 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 day-to-day 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;
- Establishes a plan to ensure business continuity and succession planning for senior management;
- Delegates the responsibilities to the various executives and oversees their professional development and motivation, 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 independently oversees the Corporation's affairs;
- Leads the Board of Directors' work;
- Monitors its effectiveness;
- Acts as Chair of all Board of Directors' meetings, including during in-camera sessions, and at the Annual Shareholders' Meetings.

The Chair of the Board oversees, together with the Governance and Ethics Committee, the recruitment process, orientation and professional development program for new directors, and director assessment and compensation. He also ensures that no director participates in a discussion on a topic in which he or she has a significant interest nor votes thereon.

The Chairs of Board committees are responsible for overseeing and effectively running their respective committees. They must ensure that their committee performs the tasks described in the committee mandate and carry on the other responsibilities that the Board may assign.

The Chairs of the committees are independent directors appointed by the Board on the recommendation of the Governance and Ethics Committee in collaboration with the Chair of the Board.

## **Succession Planning and Development**

---

The Corporation places great importance on ensuring strong continuity in its senior management. To do so, it is essential to plan for succession at the level of the President and Chief Executive Officer but also for other senior executives. For this reason, the President and Chief Executive Officer is responsible for establishing a plan to ensure business continuity and succession planning for senior management. The Human Resources and Compensation Committee, for its part, is responsible for reviewing periodically the succession plan for the President and Chief Executive Officer and senior management and to submit its recommendations to the Board with respect to this plan. Each year, the Committee therefore carefully examines the short-, medium- and long-term replacement options for the position of President and Chief Executive Officer and the other senior management positions. This review includes a study of the individuals' profiles planned for the various replacement scenarios (short-, medium- and long-term), the evolution of their career development since the last review by the Committee and their positioning with respect to the performance of the functions planned for these individuals.

The Corporation also privileges a more or less long transition period for any change in the position of President and Chief Executive Officer. When Mr. Denis Ricard took office, the transition period was spread over several months. This has ensured the stability of the Corporation and the continuity of its operations.

The development of senior management succession is based on a rigorous, continuous and collaborative process and is regularly monitored by the Executive Committee. Employees targeted as successors are first evaluated based on a future leader profile. Depending on employees' needs and experience, various means of development are offered, including mandates conducive to development in the workplace, mentoring, coaching, mobility, exposure to the Executive Committee or Board of Directors, or a development program.

## In-camera Meetings

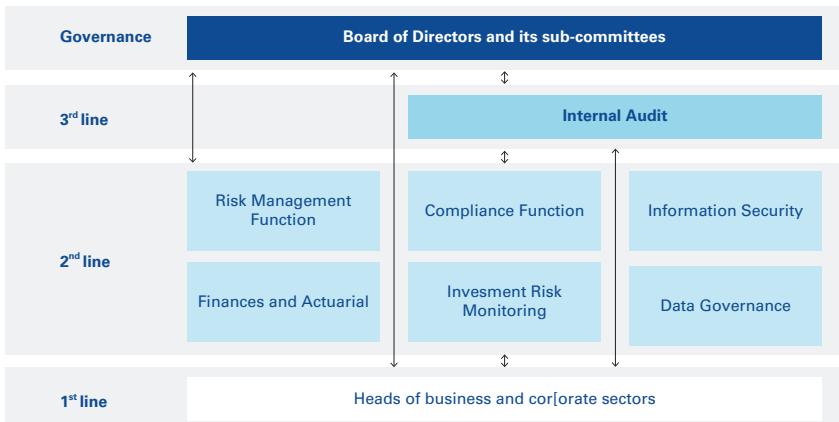
It is important for sound governance, and for the purpose of performing their supervisory role in an independent manner, that independent directors may freely discuss topics that concern the Corporation.

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. As a result, no members of management attend this meeting.

**The independent directors systematically hold in-camera sessions at the end of each scheduled Board meeting. The Board's committees also meet at the end of each meeting without management being present.**

## Risk Management

The Corporation has an enterprise risk management framework that is continually applied and considered in developing the Corporation's business strategies and in all its operations. The enterprise risk management framework provides the Board of Directors with reasonable assurance that all required 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 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 defense" that is implemented within the organization. The first line of

defense includes the President and Chief Executive Officer as well as the heads of the business lines 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 good long-term balance between the risk and return. 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. They are ultimately responsible for day-to-day risk management.

The risk management and compliance functions are the second line of defense headed by the Chief Risk Officer and the Chief Compliance Officer, respectively. Included therein are the Finance and Actuarial, Investment Risk Monitoring, Data Governance and Information Security sectors. This second line of defense is 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 defense. To this end, it coordinates, guides and supports the first line of defense in the rigorous assessment of the significant risks to which the Corporation is exposed. It works together with the first line to ensure prudent and disciplined management in protecting the Corporation's reputation and long-term sustainability. The first two lines of defense 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.

The Chief Risk Officer and his team work closely with the other second line functions and with the first line of defense to promote a culture of sound risk management throughout the organization. Based on a holistic view of risks and considering the interrelationships that may exist between them, he communicates relevant information to senior management and the Board of Directors.

In the third line of defense, 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 defense 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 defense. These reports address in particular the monitoring of the Corporation's risk profile, in accordance with its risk 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 defense.

The *2020 Annual Report*, published on our website at ia.ca contains a more complete description of the risk management framework.

## Sustainable Development

---

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

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

- Ensure the financial wellbeing of our clients;
- Manage risks effectively;
- Follow high standards of governance;
- Actively contribute to our communities;
- Manage environmental impact;
- Create a rewarding work environment and focused on diversity and inclusion;
- Practice responsible sourcing;
- Integrate ESG factors into investment processes.

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

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

The Corporation promotes environmental, social and governance initiatives to foster sustainable growth. The Corporation's initiatives and achievements in this area are listed in detail in our *Sustainability Report* available on our website ia.ca (in the "About iA" section under the Sustainable development tab). The disclosure of these initiatives is now guided by a recognized industry framework, the Sustainability Accounting Standards Board (or "SASB") framework.

## Managing the Impacts of the COVID-19 Pandemic on Stakeholders

In the context of the pandemic, the Corporation's priority has been the health and wellbeing of its employees, partners and clients, as well as its support to the community.

The Corporation put in place various relief measures to support its clients who experienced financial hardship as a direct result of the pandemic. These measures benefited all clients, including life, critical illness, disability and personal injury insurance, individual savings and retirement, group insurance, home and auto insurance, residential mortgages and auto loans.

Since March 2020, iA Financial Group has also been committed to mitigating the unprecedented effects of the pandemic on communities. The Corporation has increased

its donations in the areas of health and community services, specifically targeting organizations with urgent needs due to the situation.

In total, in 2020, close to \$2.5 million was donated in response to the COVID-19 crisis, including to emergency funds of various hospital and health research center foundations, as well as to food banks in several Canadian provinces.

iA Financial Group has worked hard to ensure the health and safety of its employees and to try to reduce the spread of the virus in the community. In mid-March 2020, the Corporation moved quickly to telework for virtually all employees and ensured the security of its offices for those who needed and still need to travel to the office for business continuity purposes.

The Corporation also offered its employees various support measures, including allowances for the purchase of teleworking equipment and Internet fees, as well as five additional paid days off for their wellbeing.

These measures were in addition to services already available to employees, including the employee and family assistance program, telemedicine and the stress management and wellness program.

## **Commitment to Reducing its GHG Emissions**

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

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

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

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

## **Participating in the United Nations Sustainable Development Goals**

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

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

These five SDGs are:

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

## Continued Analysis of Climate Change Risk

In 2020, the Corporation continued its work on climate change risk analysis.

Climate change risks can be divided into two main categories:

- Physical risks are the direct consequence of climatic events. They may result in a loss in value of financial investments whose issuers would be affected and/or an increase in the cost and frequency of claims;
- Transition risks correspond to the effects of the implementation of a low greenhouse gas emission economic model. In fact, changes in regulations or consumer or investor behavior could lead to losses in the value of certain financial investments, impact the business strategy, or reduce the ability to attract capital.

The highlights of this analysis are outlined below.

Given the nature of its business, the Corporation is particularly exposed to transition risks through its investment portfolio, but this risk is generally insignificant. Exposure to sectors with high greenhouse gas emissions remains limited; investments in the oil and gas sector, for example, represent approximately 3 % of the total portfolio as of December 31, 2020.

The Corporation integrates environmental, social and governance (ESG) criteria into its investment process and its *Responsible Investment Policy* sets out the guidelines to be followed for each investment.

The Corporation may also be exposed to physical risks through its damage insurance subsidiary, but this risk is also not significant since this sector represents approximately 3 % of the Group's sales as of December 31, 2020 and its pricing is adjusted annually.

In this context, we consider that the resilience of the Corporation is not threatened by the risks generated by climate change. Through our strategic planning process, we remain alert to the impacts that climate change could have on the conduct of our business over the long term and have the mechanisms in place to identify them and respond appropriately and promptly.

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

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

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

## **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 2010 Annual Meeting, the Board voluntarily has asked the Common Shareholders to participate in an advisory vote on the Corporation's approach with respect to executive compensation.
- Directors make themselves available to meet with investors upon request.

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

In 2020, the Chairman of the Board of Directors met virtually with several institutional investors to discuss, among other things, the Corporation's strategy, governance and sustainability vision. He will also virtually attend the Investor Day scheduled for March 10, 2021.

Shareholders who wish to communicate with directors or meet with them are invited to send us their request in writing at the following email address: [secretariat\\_corporatif@ia.ca](mailto:secretariat_corporatif@ia.ca).

### **Results of the Advisory Vote on the Corporation's Approach with respect to Executive Compensation**

Endorsement of this Approach (%)

2020 Annual Meeting	→	<b>92.10%</b>
2019 Annual Meeting	→	<b>89.66%</b>
2018 Annual Meeting	→	<b>90.27%</b>

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

Chair of the Board  
iA Financial Corporation Inc.  
1080 Grande Allée West  
P.O. Box 1907, Station Terminus  
Quebec City, Quebec G1K 7M3

## **Senior Management**

Despite the COVID-19 pandemic, the Corporation's senior management maintained its engagement with its shareholders, by communicating with them and with other stakeholders in various ways, including:

### **Publicly Available Documents**

- The *Annual Report* and the quarterly reports;
- Distribution of press releases concerning the quarterly results and any other topic of interest;
- The *Annual Information Circular for the Solicitation of Proxies*;
- The *Annual Information Form*;
- The *Annual Sustainability Report*.

### **Conferences and Presentations**

- The Annual meeting;
- Quarterly conference calls with the financial analysts, to which all shareholders have access;
- Investor Day, held every two years, including the most recent edition on March 10, 2021;
- The virtual event for investors to be held on March 10, 2021;
- Participation in industry conferences and other events;
- Live and recorded webcasts of quarterly conference calls to present the financial results and of the Annual Shareholders' Meeting;
- In-person and telephone meetings upon request;
- The ia.ca website, particularly the "Investor Relations" section.

Shareholders who wish to communicate with the executive officers or meet with them are invited to send us their request in writing at the following email address: [investors@ia.ca](mailto:investors@ia.ca).

In 2020, senior management met with investors at the following events:

Date	Event	Location	Nbr invest. met
March 4, 2020	BMO 7th Wealth Management Forum	Toronto	N/A
March 26, 2020	NBF 18th Annual Financial Services Conference	Virtual	17
March 30, 2020	Fireside chat organized by TD Securities Inc.	Virtual	N/A
June 10-11, 2020	One-on-One Virtual Meetings organized by BMO Capital Markets	Virtual	12
June 16, 2020	NBF 10th Annual Quebec Conference	Virtual	14
September 10, 2020	Scotiabank Financial Summit 2020	Virtual	16
November 13, 2020	Virtual Roadshow organized by Scotiabank	Virtual	10
2020	16 conference calls at the request of institutional investors	Virtual	N/A

## Investor Relations

Our Investor Relations department is pleased and makes it a duty to provide shareholders with a wealth of information, particularly the financial results, information on dividends and credit ratings, as well as conferences and presentations.

Investor Relations also publishes a Newsletter intended for investors to disclose the latest financial information.

This information is found on our website at [ia.ca](http://ia.ca), in the section “About iA”, under the tab Investor Relations.

## Employment Diversity and Inclusion

### Diversity and Inclusion are Imperative for Growth

The Corporation has always promoted diversity and inclusion and recognized its contribution to innovation and growth. In 2020, the Corporation has taken this vision one step further by creating a Working Group on Diversity and Inclusion.

This Working Group's mandate covers all forms of diversity and has made inclusion an equally important focus. As a result, the Working Group clearly identified the following

mission statement: *At iA Financial Group, we support and celebrate diversity. We strive to provide and be recognized as an inclusive workplace for all regardless of gender, ethnic background, religion, disability and sexual orientation.*

By the end of 2020, targets and resource allocation have been established for the Diversity and Inclusion (“**D&I**”) initiative and specific actions have been put in place.

The Working Group recommended the following targets for female representation in iA Financial Group Senior Leadership positions (as defined below), targets that were approved by both the Executive Committee and the Board:

- Gender equity in iA Financial Group Senior Leadership positions between 40 % and 60 % for both women and men by 2025;
- From now and going forward, appoint between 40 % to 60 % of the iA Financial Group Senior Leadership positions to women.

With respect to other types of diversity, the Working Group identified the following action plan for 2021:

- Raise awareness among our employees about the importance of diversity and inclusion;
- Collect data and analyze the make-up of our workforce, with the help of an external organization that is an expert in the area of diversity and inclusion. We have engaged Catalyst, a non-profit organization best known for its work advocating and advancing women into leadership in companies and has since expanded its focus to include equity and inclusion for under-represented groups. Such analysis will enable us to understand where we can effect change with the most positive impact; and
- Implement training throughout iA Financial Group on unconscious biases and how to break or eliminate such biases.

## **Launch of Diversity and Inclusion Initiative**

In 2021, the Corporation launched the D&I initiative, with the first phase directed at the leadership management level in February, followed by an all employee launch in March. This launch coincides with the introduction of employee training programs on diversity and inclusion.

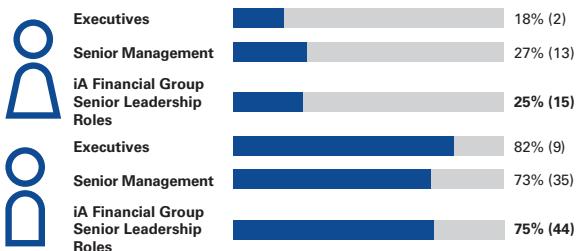
At the same time, we are also implementing improvements in our recruitment practices to ensure a more inclusive hiring and promotion process.

At iA Financial Group, we are actively building a team that is diverse and represents the people and communities we serve. By offering the best environment that values teamwork, respect for individuals, and service quality, we strive to ensure that our employees feel safe and supported in the workplace, be authentic, and be able to realize their full potential.

## **Representation of Women and Men in iA Financial Group Senior Leadership Positions**

We work hard to foster a diversity and inclusion-driven corporate culture and ensure that women increasingly participate and progress in the Corporation’s management. In order to have a global vision and to better measure the impact of our efforts on the Corporation and on iA Financial Group, this year we have adjusted our benchmark pool so that it represents executives and the senior management of the Corporation as well as the senior management of the main subsidiaries composing the group (“**iA Financial Group Senior Leadership**”).

## Gender distribution in iA Financial Group Senior Management Positions as of December 31, 2020



Note: Figures in parentheses indicate the number of individuals.

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

It is clear that our approach is gradually paying off. As at December 31, 2020, iA Financial Group Senior Leadership was made up of 25 % women, compared to 22 % the previous year. In addition, in 2020, 44 % of the new appointments to iA Financial Group Senior Leadership positions have been assigned to women compared to 22 % the previous year. Of the 44 %, three women were named president of the following subsidiaries: IAS Parent Holdings, Inc., Industrial Alliance Auto and Home Insurance Inc. and iA Auto Finance Inc.

**44 % of the new appointments to iA Financial Group Senior Leadership positions have been assigned to women**

The diversity and inclusion action plan detailed in the preceding paragraphs is in addition to the following measures already in place to support our goals for female representation in iA Financial Group Senior Leadership Positions:

- Integrate the concept of diversity in our process of reviewing and analyzing succession female 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 female candidates;
- Continue our efforts on entry-level middle management positions to build a succession of high-quality female candidates;
- Continue our efforts to raise awareness by capitalizing on already implemented initiatives (such as the leadership circle for senior management and the development path focused on conscious leadership), which should provide leverage for achieving greater gender balance; and
- Establishment of a Talent Development Committee chaired by a member of the Executive Committee with a mandate to ensure the representation of women and underrepresented groups in the pool of high-potential candidates for iA Financial Group's Senior Leadership positions.

# About the Board of Directors

## Mission of the Board

The Board is responsible for independently supervising the strategic planning and management of the 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 responsibilities outlined in its mandate, either directly or through a committee.

1

### The decision-making function

The formulation, in conjunction with senior 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 supervision of executive decisions, of management's conduct of business, of risk management, of the adequacy of internal systems and controls and of the implementation of policies and corrective measures.

## Directors' On-boarding and Training Policy

The purpose of our *Directors' On-boarding and Training Policy* is to provide direction for new directors in order to inform them about the Corporation's activities, its business strategies and other relevant topics.

Accordingly, we offer them an integration and orientation program. This program aims to integrate knowledge about the Corporation, the framework in which it operates, and the roles and responsibilities of directors of public companies. It also 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.

For Board members to stay 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, for example, to the business strategy, developments in the business operations, risk management, information technology and other subjects of relevance to the Board or the committee concerned.

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 2020, directors participated in information sessions on the topics outlined below.

### Continuing Education for Directors for the Financial Year Ended December 31, 2020

Date	Subject	Participants
February 2020	Economy and Financial Markets "Economic Backdrop"	Investment Committee
February 2020	Recent Developments in Governance - Stakeholder Interest	Governance and Ethics Committee
April 2020	Impact of the Covid-19 Pandemic	Board of Directors
May 2020	Recent Developments in Individual Life Insurance Underwriting	Board of Directors
May 2020	<i>Economy and Financial Markets - COVID-19: State of play and impacts on the economy / The reaction of fiscal and monetary authorities / Reopening of the economy on the horizon / Financial markets: Our reflections</i>	Investment Committee
July 2020	Real Estate Market Perspective	Investment Committee
July 2020	Recent Developments in Governance - Diversity	Governance and Ethics Committee
September 2020	How does the internal audit plan address the risks associated with the strategic plan?	Audit Committee
September 2020	Information and Communications Technology Risk Management Guideline	Audit Committee
September 2020	Data Strategy for iA Financial Group	Audit Committee
September 2020	Future of Insurance	Board of Directors
September 2020	Digital Strategy	Board of Directors
October 2020	Process and Governance of Provisions and Valuations - Private Markets	Investment Committee
October 2020	ESG Integration in Investments	Investment Committee
October 2020	Derivatives Management and Governance	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 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; and
- 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 performance evaluation of the Board has the following objectives:**

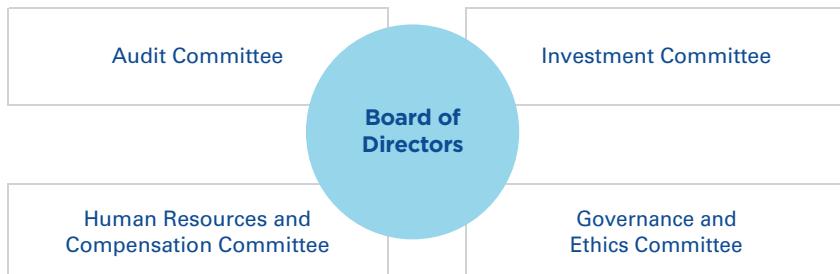
- to review the extent to which the various factors mentioned above act in concert to contribute to the Board's optimal performance; and
- to identify the measures that would best contribute to the continuous improvement of the Board and its committees.

**Evaluation process**

- Directors are called upon to comment on their own performance as well as that 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.
- 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 are discussed.
- Save and except for his own evaluation, the Chair of the Board is responsible for gathering the results of the different evaluations and subsequently reporting on them to the Governance and Ethics Committee and to the Board, and for submitting to the Board recommendations for desired improvements.
- Determined members of the Governance and Ethics Committee are responsible for gathering the results of the evaluation of the Chair of the Board, for meeting with him to discuss it, and for reporting thereon to the Governance and Ethics Committee.

## Committee Reports

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



The Chair of the Board is an ex officio member of all the committees of the Board of Directors. 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 any other responsibility entrusted to them by the Board 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 Board may also create special committees to address its needs when the situation so requires.

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.

## Compensation Advisors

The Governance and Ethics Committee and the Human Resources and Compensation Committee have the authority to retain, when they deem it appropriate, the services of independent advisors to assist them in fulfilling their duties and to provide them with the necessary information on trends and best practices with respect to compensation policies and programs in the Corporation's market.

## Directors' and Executive Officers' Compensation

In 2020, the Governance and Ethics Committee retained the services of Towers Watson to study and analyse directors' compensation. Please refer to the "Directors' Compensation" section for complete information on Towers Watson's study on directors' compensation. The Human Resources and Compensation Committee has also retained the services of Towers Watson to (i) evaluate the market compensation of the Named Executive Officers and propose, if necessary, adjustments to better align the aggregate compensation of the Named Executive Officers with the Corporation's compensation policy; (ii) support the Corporation in the review of its Short-Term Incentive Plan; and (iii) review the compliance of certain compensation components in order to make changes where a gap has been observed. The Corporation has used the services of Towers Watson since 2015 for mandates that affect the compensation of Named Executive Officers.

	2020	2019
<b>Towers Watson Canada Inc.</b>		
Fees relating to the compensation of executive officers and directors	\$143,889	\$131,358
Other fees (fees relating to the compensation of non-executive employees)	\$ 96,894	\$ 41,313
<b>Hugessen Consulting Inc.</b>		
Fees relating to the compensation of executive officers (fees relating to the integration of ESG criteria into compensation)	\$ 3,302	\$ 71,612
Other fees	-	-

## Other Mandates

In 2020, the Corporation retained the services of Towers Watson to conduct several analyses to (i) ensure the alignment of compensation at IA Financial Corporation with the employee compensation policy and to propose changes where a gap has been observed; and (ii) evaluate the relevance of implementing a restricted share unit ("RSU") plan.

## Audit Committee

The Audit Committee's mandate is to support the Board in its responsibilities regarding the Corporation's financial disclosure and related information sent to shareholders, oversight of the enterprise risk management framework and the internal control environment, its internal auditor, its external auditor, and the Chief Actuary of the Corporation. Among other things, the Committee must ensure that the processes are in place to provide reasonable assurance that financial information is reliable and that the Corporation's financial statements are prepared in accordance with financial reporting standards and the applicable legal and regulatory requirements. The Audit Committee is also responsible for the oversight of certain specific programs related to information technology, financial crime and privacy risks.

### The Audit Committee currently comprises the following five people:



**Agathe Côté**



**Ginette Maillé**



**Monique Mercier**



**Danielle G. Morin  
(Chair)**



**Marc Poulin**

The Audit Committee is composed entirely of independent directors.

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

#### **Meetings:**

- During the last fiscal year, the Audit Committee held seven meetings, including one special meeting.
- At each regular scheduled meeting, the Committee met in-camera without management being present.
- At each regular scheduled meeting, the Committee met in-camera separately, with (i) the President and Chief Executive Officer; (ii) the Executive Vice President, Chief Financial Officer and Chief Actuary; (iii) the Vice President and Chief Risk Officer; and (iv) the external auditor. It also met with the internal auditor at all but one of these meetings.
- The Committee met in-camera on at least one occasion, without management being present, the following persons separately: (i) the Executive Vice President, Information Technology and Investment Operation; (ii) the Vice President, Finance; (iii) the Chief Compliance Officer; (iv) the Vice President and Chief Information Security Officer; and (v) the Vice President Digital Optimization and Chief Data Officer.

# 2020 Accomplishments

---

## In the 2020 fiscal year, the Audit Committee:

### Disclosure of Financial Information

- ✓ Verified that processes were in place to provide reasonable assurance that the financial reporting was reliable and in accordance with regulatory requirements.
- ✓ Reviewed the interim and annual financial statements, the results of external audit of these financial statements, management's discussion and analysis and related press releases and recommended their approval to the Board.
- ✓ Recommended to the Board the publication of the *Annual Information Form*.
- ✓ Monitored the adequacy of internal controls and disclosure procedures to publicly disclose the Corporation's financial information.
- ✓ Regularly monitored the progress of work related to the implementation of IFRS 17.
- ✓ Monitored the impact of acquisitions on financial results.

### Enterprise Risk Management Framework and Internal Controls

- ✓ Reviewed material correspondence exchanged with regulatory authorities and followed up on commitments regarding these authorities.
- ✓ Reviewed periodic reports on regulatory and operational risk management, including the risks in the field of information technology.
- ✓ Reviewed reports on the impact of COVID-19 on risk and business continuity management.

- ✓ Reviewed the report on strategic and emerging risks.
- ✓ Recommended that the Board approve the *Data Governance Policy*.
- ✓ Reviewed the independence and evaluated the performance of the Vice President and Chief Risk Officer and the Chief Compliance Officer.

### Monitoring of Specific Programs

- ✓ Reviewed the annual report on anti-financial crime.
- ✓ Reviewed the periodic reports on the information security and data governance, including cybersecurity and other technological risks program.
- ✓ Reviewed the report on the governance and performance of information technology projects.
- ✓ Reviewed cybersecurity incidents.
- ✓ Evaluated the performance of the Chief Information Security Officer and the Chief Data Officer.
- ✓ Reviewed the annual privacy report.

### Internal Audit

- ✓ Approved the Internal Audit plan and the Internal Audit budget.
- ✓ Reviewed Internal Audit reports and activities.
- ✓ Reviewed the Internal Audit report on financial crime and fraud reporting.
- ✓ Reviewed the independence of the Internal Audit.
- ✓ Assessed the performance of the internal auditor.

### **External Auditor**

- ✓ Recommended the appointment of the external auditor.
- ✓ Approved the external audit plan.
- ✓ Reviewed the performance and the quality of the external audits and discussed the results of this review with the external auditor.
- ✓ Reviewed the independence of the external auditor.
- ✓ Reviewed and approved the services provided by the external auditor and its fees.
- ✓ Reviewed external auditor reports.
- ✓ Approved the mandates for non-audit services provided by the external auditor.

### **Chief Actuary**

- ✓ Reviewed the report on the peer review of certain actuarial works for the year ended December 31, 2019.

- ✓ Evaluated the performance of the Executive Vice-President, Chief Financial Officer and Chief Actuary.

### **Other Work**

- ✓ Monitored the impact of COVID-19 on operations and changes to operational processes and controls.
- ✓ Monitored the impact of COVID-19 on internal audit's oversight activities.
- ✓ Recommended that the Board approve the revised version of the *Audit Committee Charter*.
- ✓ Reviewed litigation reports.
- ✓ Reviewed the annual report on insurance coverage, including the directors' liability policy.
- ✓ Monitored coordination between the Internal Audit, external audit and risk management.

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, 2020.

Additional information on the Audit Committee is provided in the section entitled "Audit Committee" of the *Annual Information Form* filed with the Canadian Securities Administrators, which can be found on the SEDAR website at [sedar.com](http://sedar.com).

Presented on behalf of the Committee  
Danielle G. Morin, Chair

## Investment Committee

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

### **The Investment Committee currently comprises the following four people:**



**Agathe Côté**



**Benoit Daignault**



**Emma K. Griffin**  
(Chair)



**Claude Lamoureux**

The Committee is composed entirely of independent directors.

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

#### **Meetings:**

- During the last fiscal year, the Investment Committee held five meetings, including one special meeting.
- At each regular scheduled meeting, the Committee met in-camera without management being present.
- At each scheduled meeting, the Committee met in-camera with the President and Chief Executive Officer and the Executive Vice President and Chief Investment Officer.

# 2020 Accomplishments

## In the 2020 fiscal year, the Investment Committee:

### Supervision of Investments

- ✓ Monitored the financial objectives and investment directions set by management.
- ✓ Reviewed different reports on investment strategies.
- ✓ Reviewed different reports on strategic initiatives.
- ✓ Reviewed various reports on the quarterly and annual performance of the investment portfolios.
- ✓ Reviewed different management reports on the valuation and nature of the investments.
- ✓ Reviewed different reports on the quality of the investment portfolios and the investments that are at risk or that are being monitored.
- ✓ Reviewed various reports on the behaviour of the investment portfolios in the context of the COVID-19 pandemic.
- ✓ Reviewed the Report on the integration of ESG criteria into investments.
- ✓ Reviewed various reports on the processes and governance in place for different investment portfolios.
- ✓ Reviewed and recommended that the Board approve the revised *Investment Policy*.

- ✓ Approved or recommended the investments for which approval by the Investment Committee or by the Board was required in accordance with the *Investment Policy*.

### Investment Compliance

- ✓ Reviewed reports on the compliance of the investments with the *Investment Policy* including reports on one-time and recurring overruns.
- ✓ Approved *Investment Policy* recurring overruns.

### Investment Risk Management

- ✓ Reviewed different management reports on investment risk management dealing in particular with financial and interest rate risks, liquidity, credit and currency.

### Other Work

- ✓ In collaboration with the management of the Corporation, participated in the improvement of the reports submitted to the Committee in order to allow for more effective monitoring of strategic issues, risks and key elements under the supervision of the 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 Committee provides training sessions as part of its meetings. In 2020, the Committee received training on the economy and financial markets, the impact of the pandemic on the economy and the outlook for the real estate market.

The Committee believes that it fulfilled its mandate for the year ended December 31, 2020.

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 support the Board in its responsibilities regarding appointments, compensation, assessments, succession, resource development, employee experience, and oversight of human resources policies and programs. The Committee also supports the Board in promoting sound governance and risk management related to human resources.

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



**Benoit Daignault**



**Nicolas Darveau-Garneau**



**Emma K. Griffin**



**Jacques Martin**



**Marc Poulin**  
(chair)

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 in their capacity as former CEOs of publicly traded companies or as executives, and that they possess the combined knowledge, experience and profiles necessary to fulfill the Committee's mandate.

#### **Meetings :**

- Over the last fiscal year, the Human Resources and Compensation Committee held eight meetings, including four special meetings.
- At each regular scheduled meeting, the Committee met in-camera without management being present.

# 2020 Accomplishments

In the 2020 fiscal year, the Human Resources and Compensation Committee:

## Appointment of Executive Officers

- ✓ Recommended to the Board the required competency criteria for executive positions.
- ✓ Recommended to the Board the appointments for senior management positions and for vice president positions.

## Compensation of Employees, Management and Executives

- ✓ Approved the 2020 objectives of the annual bonus plan for employees, middle managers and executives.
- ✓ Recommended to the Board the payment of the annual bonus to employees, middle managers and executives.
- ✓ Approved the payment of PSUs at the end of the 2017-2019 three-year cycle.
- ✓ Approved the grants of PSUs at the end of the 2020-2022 three-year cycle.
- ✓ Approved the base salaries for executives for 2020.
- ✓ Approved the granting of options.
- ✓ Revised the compensation policy for the positions of vice presidents and executive vice presidents.
- ✓ Reviewed the compliance, financial position and development of the Corporation's pension plans.
- ✓ Recommended to the Board the revision of the pension plan funding policy.
- ✓ Approved the disclosure concerning compensation in this Circular.
- ✓ Approved the 2021 salary policy for non-management employees and middle management.

- ✓ Reviewed works related to the integration of ESG (environmental, social, governance) criteria in executive compensation for implementation in the annual bonus plan starting in 2021.
- ✓ Recommended to the Board the review of the Deferred Share Unit Plan.
- ✓ Monitored the application of compensation programs and policies.
- ✓ Reviewed the pay equity program.

## Evaluation of the President and Chief Executive Officer

- ✓ Reviewed the Mandate 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 succession plan and the resource development plan for the President and Chief Executive Officer and senior management positions.

## Compensation Risk Management

- ✓ Mandated Towers Watson Canada Inc. with reviewing the compliance of certain components of the executive compensation program based on current practices. The analysis showed that no elements of our compensation programs reviewed by Towers Watson carry a high level of risk.

### **Other Work**

- ✓ Reviewed the measures taken by management to ensure the wellbeing of employees in the context of the COVID-19 pandemic.
- ✓ Reviewed management's strategy and initiatives to foster diversity and inclusion within the Corporation.
- ✓ Reviewed the annual report on the *Integrity and Competency Criteria Assessment Policy*.
- ✓ Reviewed and recommended that the Board approve the revision of the Human Resources and Compensation Committee's Charter.

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, 2020.

Presented on behalf of the Committee  
Marc Poulin, Chair

## Governance and Ethics Committee

The Governance and Ethics Committee's mandate is to support the Board in its responsibilities regarding the governance of the Corporation and provides oversight to ensure that the Corporation's governance is linked to its strategic directions, based on a systematic approach and an ethical, transparent and responsible corporate culture that is consistent with the Corporation's and stakeholders' long-term interests and values. It also supports the Board in matters of sustainable development and ethics.

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



Claude Lamoureux

Jacques Martin  
(chair)

Monique Mercier

Danielle G. Morin

Louis Tétu

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 profiles necessary to fulfill the Committee's mandate.

#### Meetings :

- Over the last fiscal year, the Governance and Ethics Committee held four meetings.
- At each meeting, the Committee met in-camera without management being present.

# 2020 Accomplishments

---

In the 2020 fiscal year, the Governance and Ethics Committee:

## Governance-related Responsibilities

### Governance Framework and Policies

- ✓ Approved the disclosure regarding governance in this Circular.
- ✓ Reviewed and recommended that the Board approve the revision of the Governance and Ethics Committee's Charter.
- ✓ Reviewed and recommended that the Board approve the *Governance Framework*.
- ✓ Reviewed and recommended that the Board approve the Deferred Share Unit Plan.
- ✓ Received updates on recent developments in corporate governance.
- ✓ Reviewed the report on strategic and emerging risks.

### Sustainable Development

- ✓ Reviewed and recommended that the Board approve the objectives of the strategic framework and approve the Sustainability Accounting Standards Board or "SABS" regarding sustainable development.
- ✓ Reviewed and recommended that the Board approve the revised *Sustainable Development Policy*.
- ✓ Reviewed the *Sustainability Report*.
- ✓ Reviewed the periodic report on sustainable development.

## Assessment of the Effectiveness of the Board, its Committees and their Members

- ✓ Reviewed the evaluation process and conducted an evaluation of the performance of the members of the Board, the Board, its committees, the Chairman of the Board and the Chairs of each committee.
- ✓ Reviewed the results of the evaluation of the performance of the members of the Board, the Board, its committees, the Chair of the Board and the Chairs of each committee.

## Board Composition and Renewal

- ✓ Reviewed and 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.
- ✓ Recommended to the Board to set the number of directors to be recommended for election at the Annual Meeting.
- ✓ Reviewed and recommended to the Board the appointment of a new director.

## Directors' Training

- ✓ Reviewed and recommended that the Board approve the revision of the *Director Orientation and Education Policy*.

## **Directors' Compensation**

- ✓ Reviewed the Corporation's approach to the compensation of directors, committee members and Chairs and the Chairman of the Board and recommended to the Board the approval of the adjustments.

## **Ethics-related Responsibilities**

### **Rules of Conduct for Directors, Officers and Employees**

- ✓ Reviewed and recommended that the Board approve the revision of the *Code of Business Conduct*.
- ✓ Reviewed the annual report on conflicts of interest, directors' independence and compliance with the *Code of Business Conduct*.
- ✓ Reviewed the semi-annual reports on the Integrity Hotline.

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, 2020.

Presented on behalf of the Committee  
Jacques Martin, Chair

# Executive Compensation

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

## Message to Shareholders

Dear Shareholders,

As regards executive compensation, iA Financial Group has always favoured an approach based on performance and competitive imperatives. It is also important to maintain an executive compensation that is competitive, weighted and fair, while listening to shareholders.

At our 2019 Annual Meeting, shareholders asked us to reflect on the integration of environmental, social and governance ("ESG") criteria in executive compensation. After having conducted a detailed analysis of the practices in this area in our reference market, we decided to follow up on this request.

We are pleased to confirm that an ESG component came into effect this year in the variable compensation of executive officers, i.e. in the establishment of the annual bonus paid to them. The ESG component selected is the Net Promoter Score ("NPS"), a unit of measurement that takes into account customer satisfaction and is perfectly in line with the Corporation's values and purpose. This addition also reflects the latest trends in compensation management and is consistent with the Board's concerns.

For several years now, iA Financial Group has been regularly measuring the NPS in each of its business lines and has thus developed rigorous mechanisms for researching, calculating and analyzing the NPS, which has become an essential component of its vast Customer Experience Program. NPS is highly correlated with client satisfaction and thus becomes a highly relevant unit of measurement in the social and governance aspects of sustainable development.

On January 1, 2021, the NPS was therefore added to the formula for calculating the annual bonus of senior executives. This ESG measure in the annual bonus plan can be used as a multiplier to increase or decrease the amount of the bonus. In doing so, the Corporation has ensured that it creates an additional link between executive compensation and the importance of customer satisfaction.

On another note, we would like to draw your attention to the fact that in 2020, the Corporation began an in-depth analysis of its diversity and inclusion policies for all its employees. This analysis supports efforts to embrace the principles of diversity and inclusion in the workplace and recognizes that diversity is an important factor in developing and maintaining an effective senior management team. Particular attention has therefore been made to the positioning of executive compensation to ensure that it is free of discriminatory bias.

We would also like to point out that adjustments were made to the base salaries and variable short-term compensation of executive officers prior to the COVID-19 pandemic.

These adjustments were made in accordance with the governance framework of the compensation policy and based on a benchmarking exercise of the total compensation of executive officers carried out by an independent firm at the end of 2019. Based on the findings of the study, a gap was observed for some executive officers compared to the comparator group and therefore adjustments to their base salaries were made. The adjustments made took into consideration key factors such as level of responsibilities, performance and experience, all with a view to ensuring a good alignment between executive compensation and the shareholders' interests.

Since the beginning of the pandemic, no adjustment has been made to the aggregate compensation of executive officers. We intended in 2020 to adjust the medium and long-term compensation elements. However, due to the economic uncertainty caused by the current COVID-19 pandemic, we have decided to defer the implementation of the changes to a later date.

The Human Resources and Compensation Committee has regularly monitored the impact of the pandemic on the Corporation's activities. In the fall, the Committee agreed not to make any changes to the executive officers' aggregate compensation even if the Corporation was well positioned to achieve the objectives set prior to the pandemic and that the Corporation's management of the pandemic had been excellent both in terms of employee and client safety and financial performance.

Consequently, the Corporation's executive officers did not receive a salary increase as of January 1, 2021. The 2020 annual bonus, which was paid in February 2021, is based on the 2020 objectives (without modifications) and the Corporation's results in 2020.

Regarding executive compensation, as in all things, we will continue to listen to our shareholders using a transparent and evergreen approach to support the Corporation's vision and strategic priorities.

Chair of the Board



Jacques Martin

Chair of the Human Resources and  
Compensation Committee



Marc Poulin

# 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.

For fiscal year 2020, the Named Executive Officers are:

**Denis Ricard**

President and Chief Executive Officer

**Jacques Potvin**

Executive Vice President, Chief Financial Officer and Chief Actuary

**Michael L. Stickney**

Executive Vice President and Chief Growth Officer

**Alain Bergeron**

Executive Vice President and Chief Investment Officer

**Renée Laflamme**

Executive Vice President, Individual Insurance, Savings and Retirement

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 as well as the recommendations of external compensation advisors and must be approved by the Board of Directors.

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 the members of the Board. Under the supervision of the Board of Directors, 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 Canadian companies in the financial industry, excluding the five major banks, selected based on 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

Furthermore, to evaluate the performance of our Mid-Term Incentive Plan, we use a comparator group composed of companies selected by considering their business segments (insurance or wealth management) and their market capitalization (the companies must be listed on a stock exchange). The comparator group for evaluating the performance of our Mid-Term Incentive Plan is slightly different from the group for evaluating the market positioning of our compensation program since it also includes a certain number of American insurance companies that are real competitors in industries comparable to those of the Corporation given our growing presence in that country.

The following companies are included in the comparator 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

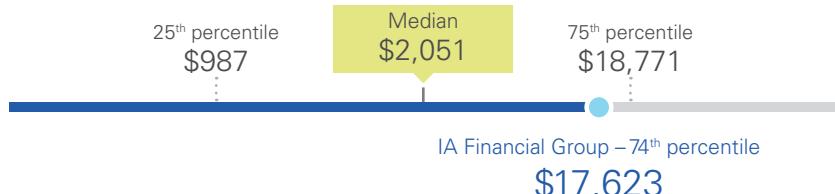
Lincoln National Corporation  
Principal Financial Group Inc.  
IGM Financial Corporation Inc.  
Manulife Financial Corporation  
Globe Life Inc.  
Unum Group

## Where do we Stand in Relation to our Comparison Group?

The graph below shows our rank relative to our comparison group. We compare our total assets, market capitalization and total earnings with those of the comparator group based on the most recent data. The graph below illustrates the relevance of using this group for compensation comparison purposes.

### Total Earnings (in millions)

Last 12 months



### Total Assets (in millions)

Last 12 months



### Market Capitalization (in millions)

December 31, 2020



### **Variable Compensation Recoupment (Clawback) Policy**

The objective of the policy is to promote a culture of integrity, to reduce risks related to variable compensation and to sanction gross negligence, wilful misconduct or fraud committed by a member of senior management against the Corporation.

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 part or all of the variable compensation paid or vested or awarded to him or her in the past 12 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 or the Executive Vice President, Chief Financial Officer and Chief Actuary over the past 12 months, following his wilful misconduct or gross negligence that either has resulted in, or could reasonably be expected to result in, negative economic or reputational consequences for the Corporation, 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, 2020:

Compensation Components		Form	Compensation Period	Basis of Determination	Objectives
<b>Direct Compensation</b>					
Fixed	Base Salary	Cash	1 year	Based on reference market, individual performance and internal equity. Reflects level of responsibilities, 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 their annual bonus in 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 and ensure alignment with the interests of the holders of the Corporation's Common Shares
Variable	Mid-Term Incentive Plan	Performance Share Units (PSU)	3 years	Awarded annually, based on individual performance and Corporation performance. Final 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 value based on the difference between the Common Share price on the date of the grant and the date of exercise.	Long-term retention and differentiation  Brings compensation of Corporation executives in line with increased Common Shareholder value
<b>Indirect Compensation</b>					
Pension and Benefits Plans		Group life and health insurance program and pension plan	Ongoing	Based on the reference market.	Retention

The components of compensation vary according to the executive's level. 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 on his or her level of responsibilities.

The following table illustrates the breakdown of target 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.

Level	Base Salary	Target Annual Bonus	Performance Share Units Target	Stock Options Target	Total Compensation	
					Total Portion of Compensation that is Variable	Total Portion of Compensation that is Fixed
<b>President and Chief Executive Officer</b>	32%	32%	10%	26%	68%	32%
<b>Executive Vice President</b>	41%	23%	12%	24%	59%	41%

## Base Salary

Base salary compensates employees for the role they perform in the Corporation. Base salaries and salary ranges, including the minimum, median values 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.

Increases were made to base salaries and variable compensation of the Named Executive Officers prior to the COVID-19 pandemic. These adjustments were made in accordance with the governance framework of the compensation policy and based on a benchmarking exercise of the total compensation of the Named Executive Officers carried out by an independent firm at the end of 2019. Based on the findings of the study, a gap was observed for some executive officers compared to the comparator group and therefore adjustments to their base salaries were made. The adjustments made took into consideration key factors, such as level of responsibilities, performance and experience, all with a view to ensuring a good alignment between executive compensation and shareholders' interests. Considering the pandemic, the Named Executive Officers did not receive a salary increase as of January 1, 2021.



### 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; and
- 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.

The following table sets out the changes in salaries of the Named Executive Officers between 2019 and 2021:

Name and Principal Position	Salary 2019	Salary 2020	Increase in 2020	Salary 2021	Increase as of January 1 <sup>st</sup> , 2021
<b>DENIS RICARD</b> President and Chief Executive Officer	\$ 842,960	\$ 950,000	+13 %	\$ 950,000	0 %
<b>JACQUES POTVIN</b> Executive Vice President, Chief Financial Officer and Chief Actuary	\$ 418,910	\$ 461,000	+10 %	\$ 461,000	0 %
<b>MICHAEL L. STICKNEY<sup>(1)</sup></b> Executive Vice President and Chief Growth Officer	US\$391,180	US\$464,069	+19 % <sup>(2)</sup>	US\$464,069	0 %
<b>ALAIN BERGERON</b> Executive Vice President and Chief Investment Officer	\$ 550,000 <sup>(3)</sup>	\$ 564,000	+3 %	\$ 564,000	0 %
<b>RENÉE LAFLAMME</b> Executive Vice President, Individual Insurance, Savings and Retirement	\$ 418,910	\$ 461,000	+10 %	\$ 461,000	0 %

- (1) Mr. Stickney's salary was paid in U.S. dollars and converted to Canadian dollars using the average exchange rate for 2020 (1.3415 = CAN \$622,549) and 2019 (1.3269 = CAN \$519,057).
- (2) Mr. Stickney's salary was adjusted in 2020 to reflect additional responsibilities assumed as a result of promotions.
- (3) The 2019 salary for Mr. Bergeron represents the annual salary in effect at the time he joined the Corporation in September 2019.

## 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:

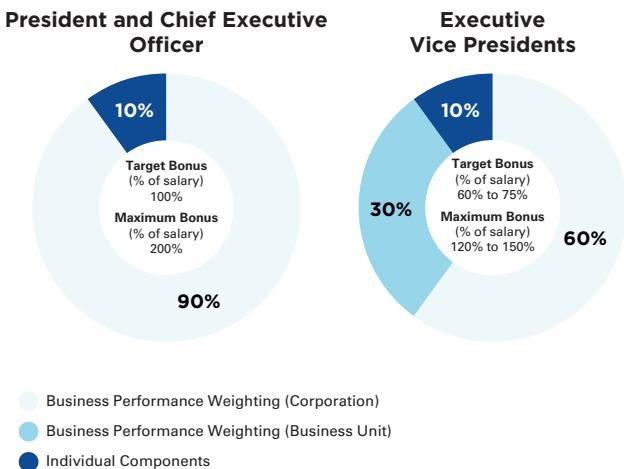
- Promote our mission among executives;
- Foster superior overall performance in terms of the Corporation's goals;
- Encourage higher productivity;
- Recognize executive contributions to, and involvement in, attaining our goals; and
- Offer compensation that favourably positions us within our reference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

The annual bonus plan is based on five 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 aligned with 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 the individual is below minimum performance thresholds. The maximum bonus available is twice the target, which is the case when the objectives based on our business plan for the fiscal year are significantly exceeded. These targets are intended to be challenging but achievable.

The typical weighting for the 2020 annual bonus for the President and Chief Executive Officer and the Executive Vice Presidents 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. Under the supervision of the Board, the specific criteria for the other Named Executive Officers are evaluated by the President and Chief Executive Officer. The weighting for the 2020 annual bonus for each Named Executive Officer was as follows:

Named Executive Officer	Target Bonus	Business Performance Rating			Individual Components
		% of salary	%	%	
<b>DENIS RICARD</b>	100	90	0	10	
<b>JACQUES POTVIN</b>	60	30	60	10	
<b>MICHAEL L. STICKNEY</b>	75	75	15	10	
<b>ALAIN BERGERON</b>	75	50	40	10	
<b>RENÉE LAFLAMME</b>	60	55	35	10	

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 conditional 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 considers the strategic plan approved by the Board, as well as the objectives communicated to the financial markets. The 2020 objectives were as follows:

	Minimum	Target	Maximum
Return on Equity	9 %	11.9 %	12.7 %
New Business <sup>(1)</sup>	Varies according to the business line and based on the 2019 results	Budget	Budget + between 5 % and 30 %, varies according to the business line
Cost Control <sup>(1)</sup>	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. Consequently, these amounts are not disclosed directly, but as percentages.

## Addition of a Modifier Based on an ESG Measure Starting in 2021

Starting in 2021, an ESG modifier will be applied to the bonus formula. The modifier may reduce or increase the bonus payable based on the level of performance of the Net Promoter Score. The modifier will vary between 0.9 and 1.1 times the maximum bonus payable after the application of the modifier and may not exceed the maximum annual target bonus, i.e. 200 %.

## Deferred Share Units (DSUs)

Executives can elect to convert a portion or all their annual bonus to DSUs. To do this, executives must notify the Corporation thereof prior to December 31 of the calendar year preceding the year for which the annual bonus is paid, otherwise the bonus will be paid to them in cash. When incentive awards are determined, the amount elected is converted into DSUs that have a value equal to the weighted 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 performance share units. The awarding of PSUs is at the discretion of the Human Resources and Compensation Committee after having considered the 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;
- Align the interests of the executives 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 2018 PSU Awards".

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 Share (listed on the Toronto Stock Exchange under the ticker symbol IAG) for the first 20 trading days of the reference period.

The vesting of PSUs is based on a two-component performance factor: 25 % based on total Common Shareholder return compared to the target group ("TSR") 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 value 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, 2020 <sup>(1)</sup>	Performance Level	Net Income Performance Scale	Total Common Shareholder Return	Performance Multiplier
					Percentile rank of relative TSR	
2020-2022	31,995	32,549	Maximum or above	\$2,400 million	1 to 35	150 %
				\$2,325 million	36 to 45	125 %
			Target	\$2,250 million	46 to 55	100 %
				\$2,025 million	56 to 65	75 %
			Threshold	\$1,800 million	66 to 75	50 %
			Under threshold	N/A	N/A	0 %
2019-2021	48,537	39,080	Maximum or above	\$2,250 million	1 to 35	150 %
				\$2,175 million	36 to 45	125 %
			Target	\$2,100 million	46 to 55	100 %
				\$1,875 million	56 to 65	75 %
			Threshold	\$1,650 million	66 to 75	50 %
			Under threshold	N/A	N/A	0 %
2018-2020	36,787	23,563	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 %

(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 minus the number of PSUs cancelled.

The payout value of each vested PSU at the end of the performance period is equal to the arithmetical average of the weighted average prices of the Corporation's Common Share for the last 20 trading days of that period multiplied by the performance factor. This payout value is payable in cash only.

## **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 in February 2001, 11,350,000 shares have been reserved for awards under the Plan, or 10.60 % of the outstanding Common Shares as at December 31, 2020.
- Excluding options that were cancelled, a total of 9,616,983 options were granted by the Human Resources and Compensation Committee pursuant to the Plan and 1,964,983 were outstanding as at December 31, 2020, representing respectively 8.98 % and 1.84 % of the outstanding Common Shares as at December 31, 2020.
- During the fiscal year ended December 31, 2020, we granted 285,000 options, representing approximately 0.27 % of the total Common Shares issued and outstanding as at that date.
- As at December 31, 2020, taking into consideration the options granted in 2020, there was a total of 1,733,017 stock options remaining issuable under the Plan, representing 1.62 % 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 objectives 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 to 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.

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 executive's participation 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 executives with those of the Common Shareholders.

It is generally expected, for executives, 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 executives 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 options are 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 shares.

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 shares in the case of shares issued to any one insider and that insider's associates.

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



**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.

We do not 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.

Under certain circumstances, the expiry date of the options is accelerated, with the result that options vested at the date of a specific event cannot be exercised after the accelerated expiry date. Unless the Committee decides otherwise, the options unvested at the date of the specific event in question cease to exist and can never be exercised.

The Human Resources and Compensation Committee may, subject to regulatory approval and Common Shareholder approval, when required and 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 that any such amendments not alter the terms of any outstanding options or impair any rights of the holders thereof.



### **These 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, without Common Shareholder approval, but subject to receipt of regulatory approval, when 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 Plan'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. Most of the participants who no longer receive stock options now qualify for the Mid-Term Incentive Plan.



#### Reduced number of options

The following table indicates the number of options outstanding and exercisable under the iA Financial Corporation Stock Option Plan as at December 31, 2020.

#### 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	1,964,983	\$51.66	1,733,017
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 during the applicable fiscal year.

	2020	2019	2018
Number of options awarded	285,000	348,000	311,333
Weighted average number of outstanding shares for the applicable fiscal year	107,023,621	106,852,579	109,033,157
Burn rate	0.27 %	0.33 %	0.29 %

## Pension and Benefits Plans and Perquisites

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 most of the costs associated with those benefits, but employees (including executives) must also contribute to this plan. The benefit plan is comparable to those offered by other companies in the comparator group. 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 comparator group.

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

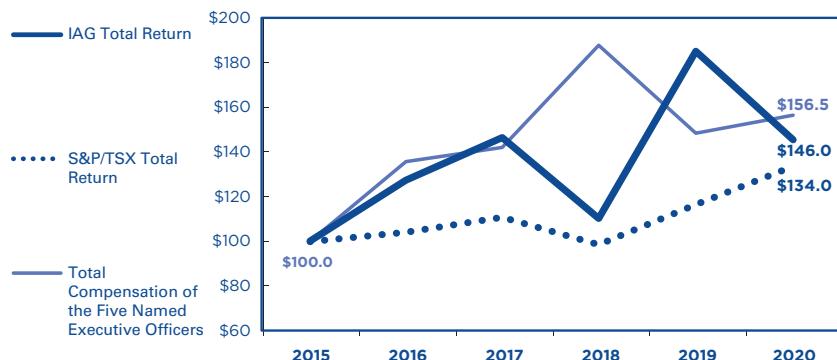
## Correlation between Executive Compensation and Shareholder Returns

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 under which iA Insurance Common Shares were exchanged for Common Shares newly issued by iA Financial Corporation, IAG shares have been listed on behalf 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, 2020. The graph assumes an initial \$100 investment in the Common Shares and in the S&P/TSX composite index as at December 31, 2015 and that the dividends have been reinvested.

The graph also 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” below.

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



As described in the “Compensation Components” 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 2018, 2019 and 2020, as a percentage of net income after tax.

2020	2019	2018
1.58 %	1.33 %	1.89 %

## Executive Share Ownership

We have adopted a policy requiring certain key executive officers to hold Common 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 or her 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*, officers are prohibited from participating in monetization or other hedging activities related to the securities of the Corporation 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 9, 2021, the number and value of Common Shares and DSUs held by Named Executive Officers. The value of Common Shares and DSUs is established by multiplying the closing price of Common Shares on the Toronto Stock Exchange on March 8, 2021 (\$ 67.10) by the number of Common Shares and DSUs held by the Named Executive Officer on that date.

	Common Shares		DSUs		Total Value	Complies with Executive Share Ownership Policy
	Number	\$	Number	\$		
<b>DENIS RICARD</b>	42,000	2,818,200	46,701	3,133,637	5,951,837	Yes
<b>JACQUES POTVIN</b>	7,204	483,388	8,580	575,718	1,059,106	Yes
<b>MICHAEL L. STICKNEY</b>	33,100	2,221,010	1,252	84,009	2,305,019	Yes
<b>ALAIN BERGERON</b>	-	-	197	13,219	13,219	Yes <sup>(1)</sup>
<b>RENÉE LAFLAMME</b>	9,159	614,569	17,756	1,191,428	1,805,997	Yes

(1) Mr. Bergeron has been Executive Vice President and Chief Investment Officer since September 3, 2019. As of March 9, 2021, he was still in compliance with the five-year term limit for attaining the minimum ownership requirement.

## Details of Individual Compensation

### DENIS RICARD



President and Chief Executive Officer since September 1, 2018, Denis Ricard is responsible for the Corporation's strategic planning and positioning, as well as sustainable growth and value creation taking into account the interests of the shareholders and other stakeholders.

Mr. Ricard oversees the implementation of the Corporation's strategy and policies by adapting them according to the needs of the Corporation 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.

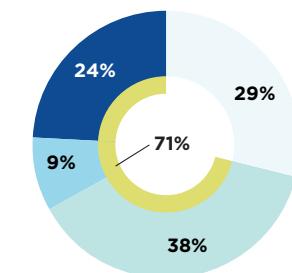
#### President and Chief Executive Officer

#### Last three fiscal years' Total Direct Compensation

	2020	2019	2018
Base Salary	\$ 950,000	\$ 842,960	\$ 671,375
Annual Bonus	\$1,227,891	\$ 947,858	\$ 762,911
Mid-Term Incentive Plan	\$ 284,984	\$ 252,893	\$ 178,341
Long-Term Incentive Plan <sup>(1)</sup>	\$ 763,200	\$ 492,600	\$ 670,663
<b>Total Direct Compensation</b>	<b>\$3,226,075</b>	<b>\$2,536,311</b>	<b>\$2,283,290</b>

(1) Estimated value of stock options calculated using the Black-Scholes model: \$12.72 in February 2020, \$8.21 in February 2019, \$13.24 in February 2018 and \$10.58 in July 2018.

#### Total Direct Compensation



- Base Salary
- Annual Bonus
- Mid-Term Incentive Plan
- Long-Term Incentive Plan
- Total portion of variable compensation

## **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 from 2018 to 2020 and Mr. Yvon Charest in 2016 and 2017) along with the current actual value of this compensation in comparison with Common Shareholder value.

	Total Direct Compensation		Value of an amount of \$100	
	Initial Value <sup>(1)</sup>	Actual Value as at December 31, 2020 <sup>(2)</sup>	Value for the President and Chief Executive Officer <sup>(3)</sup>	Common Shareholder Value <sup>(4)</sup>
2016	\$2,586,734	\$3,129,198	120.97 \$	145.38 \$
2017	\$2,443,322	\$1,716,175	70.24 \$	115.47 \$
2018	\$2,283,290	\$1,622,595	71.06 \$	100.93 \$
2019	\$2,536,311	\$2,382,491	93.94 \$	134.13 \$
2020	\$3,226,075	\$2,237,523	69.36 \$	79.65 \$

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

(2) The actual value as at December 31, 2020 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 as at December 31, 2020 of the PSUs awarded during the award year but that have not vested; or
- The in-the-money value as at December 31, 2020 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 Common 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 strategic and performance 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 2020 Annual Bonus

	Weighting	Bonus as a percentage of Target	Bonus
	%	%	\$
Return on Shareholders' Equity	35	76.4	254,160
New Business	30	157.8	449,730
Cost Control	10	114.1	108,375
Strategic Objectives and Qualitative Assessment	25	175.0	415,625
<b>Total</b>	<b>100</b>	<b>129.3</b>	<b>1,227,891</b>
Profit Threshold Met		Yes	Yes
<b>Total Bonus Paid</b>		<b>129.3</b>	<b>1,227,891</b>

## JACQUES POTVIN



Jacques Potvin has acted as Executive Vice President, Chief Financial Officer and Chief Actuary since February 2018. Mr. Potvin is responsible for ensuring the sound financial management and long-term financial sustainability of the Corporation. He also oversees the corporate financing activities.

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

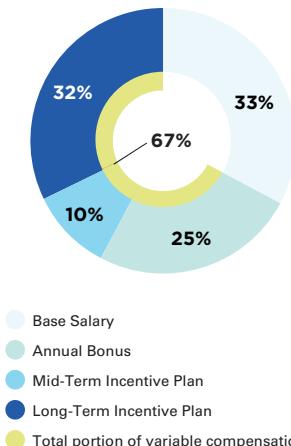
### Executive Vice President, Chief Financial Officer and Chief Actuary

#### Last three fiscal years' Total Direct Compensation

	2020	2019	2018
Base Salary	\$ 461,000	\$ 418,910	\$350,990
Annual Bonus	\$ 346,322	\$ 270,873	\$253,665
Mid-Term Incentive Plan	\$ 138,298	\$ 125,672	\$ 92,260
Long-Term Incentive Plan <sup>(1)</sup>	\$ 445,200	\$ 287,350	\$264,800
<b>Total Direct Compensation</b>	<b>\$1,390,820</b>	<b>\$1,102,805</b>	<b>\$961,715</b>

(1) Estimated value of stock options calculated using the Black-Scholes model: \$12.72 in February 2020, \$8.21 in February 2019 and \$13.24 in February 2018.

#### Total Direct Compensation Calculation of the 2020 Annual Bonus



	Weighting %	Bonus as a percentage of Target %	Bonus \$
Return on Shareholders' Equity	10	76.4	21,143
New Business	10	157.8	43,647
Cost Control	10	114.1	31,554
Divisional Objectives and Qualitative Assessment	70	129.1	249,977
<b>Total</b>	<b>100</b>	<b>125.2</b>	<b>346,322</b>
Profit Threshold Met		Yes	Yes
<b>Total Bonus Paid</b>		<b>125.2</b>	<b>346,322</b>

## MICHAEL L. STICKNEY



**Executive Vice President  
and Chief Growth Officer**

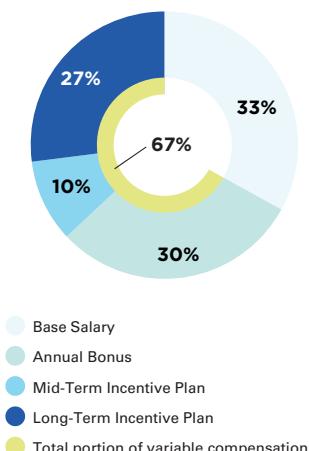
Michael L. Stickney has been Executive Vice President and Chief Growth Officer since September 1, 2019. Mr. Stickney oversees the growth initiatives of all the Corporation's business lines, both in Canada and the United States. He oversees U.S. operations, which have experienced strong growth organically and through acquisitions under his leadership. He contributes to the achievement of the group's objectives by supporting the implementation of growth strategies of all the lines of business. Mr. Stickney heads Individual Insurance and Annuities, Wealth Management, Group Insurance and Group Savings, U.S. Operations and Special Markets Solutions and Dealer Services.

### Last three fiscal years' Total Direct Compensation

	2020	2019	2018
Base Salary <sup>(1)</sup>	\$622,549	\$519,057	\$463,843
Annual Bonus <sup>(2)</sup>	\$558,099	\$478,807	\$279,887
Mid-Term Incentive Plan <sup>(3)</sup>	\$181,773	\$146,630	\$135,503
Long-Term Incentive Plan <sup>(4)</sup>	\$508,800	\$188,830	\$304,520
<b>Total Direct Compensation</b>	<b>\$1,871,221</b>	<b>\$1,333,324</b>	<b>\$1,183,753</b>

- (1) Mr. Stickney's salary was paid in U.S. dollars and converted to Canadian dollars using the average exchange rate for 2020 (1.3415 = US\$464,069), 2019 (1.3269 = US\$391,180) and 2018 (1.2957 = US\$357,987).
- (2) Mr. Stickney's annual bonus was paid in U.S. dollars and converted to Canadian dollars using the exchange rate at the time of payment (2020: 1.2561 = US\$ 444,303; 2019: 1.3217 = US\$ 362,228 and 2018: 1.3196 = US\$ 212,100).
- (3) PSUs were granted in U.S. dollars and converted to Canadian dollars using the exchange rate at the time of grant (2020: 1.3305 = US\$136,620; 2019: 1.3270 = US\$110,497; 2018: 1.2609 = US\$107,465).
- (4) Estimated value of stock options calculated using the Black-Scholes model: \$12.72 in February 2020, \$8.21 in February 2019 and \$13.24 in February 2018.

### Total Direct Compensation Calculation of the 2020 Annual Bonus



Weighting	Bonus as a percentage of Target		Bonus
	%	%	
Return on Shareholders' Equity	35	76.4	120,994
New Business	30	157.8	214,095
Cost Control	10	114.1	51,592
Divisional Objectives and Qualitative Assessment	25	151.61	171,418
<b>Total</b>	<b>100</b>	<b>123.4</b>	<b>558,099</b>
Profit Threshold Met		Yes	Yes
<b>Total Bonus Paid</b>		<b>123.4</b>	<b>558,099</b>

## ALAIN BERGERON



Alain Bergeron has been Executive Vice President and Chief Investment Officer since September 3, 2019. In his role, he is responsible for managing and overseeing the Corporation's investment portfolios, including the general fund assets and the investment funds.

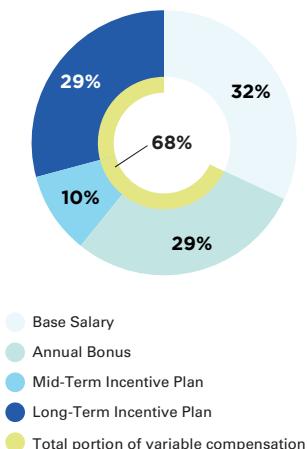
### Executive Vice President and Chief Investment Officer

#### Last three fiscal years' Total Direct Compensation

	2020	2019	2018
Base Salary	\$ 564,000	\$ 180,822	N/A
Annual Bonus	\$ 519,250	\$ 412,500	N/A
Mid-Term Incentive Plan	\$ 169,225	N/A	N/A
Long-Term Incentive Plan <sup>(1)</sup>	\$ 508,800	\$ 502,800	N/A
<b>Total Direct Compensation</b>	<b>\$1,761,275</b>	<b>\$1,096,122</b>	<b>N/A</b>

(1) Estimated value of stock options calculated using the Black-Scholes model: \$12.72 in February 2020 and \$8.38 in September 2019.

#### Total Direct Compensation Calculation of the 2020 Annual Bonus



Weighting	Bonus as a percentage of Target	Bonus
%	%	\$
Return on Shareholders' Equity	30	76.4
New Business	10	157.8
Cost Control	10	114.1
Divisional Objectives and Qualitative Assessment	50	145.3
<b>Total</b>	<b>100</b>	<b>141.0</b>
Profit Threshold Met	Yes	Yes
<b>Total Bonus Paid</b>	<b>141.0</b>	<b>519,250</b>

## RENÉE LAFLAMME



Renée Laflamme has been Executive Vice-President, Individual Insurance, Savings and Retirement since February 2018. She is responsible for the management of this sector's activities across Canada. She is responsible for the growth strategy of individual insurance, individual savings and retirement, as well as for all activities, including distribution, underwriting, product development, marketing and administration. She also heads the operations of PPI Management.

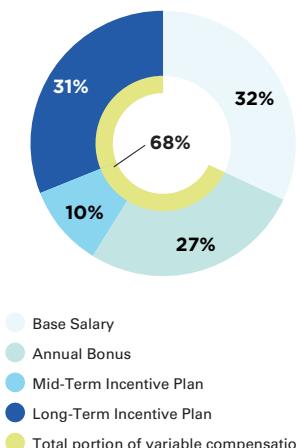
### Executive Vice President, Individual Insurance, Savings and Retirement

#### Last three fiscal years' Total Direct Compensation

	2020	2019	2018
Base Salary	\$ 461,000	\$ 418,910	\$ 388,625
Annual Bonus	\$ 376,611	\$ 323,595	\$ 254,262
Mid-Term Incentive Plan	\$ 138,298	\$ 125,672	\$ 112,493
Long-Term Incentive Plan <sup>(1)</sup>	\$ 445,200	\$ 287,350	\$ 397,200
<b>Total Direct Compensation</b>	<b>\$1,421,109</b>	<b>\$1,155,527</b>	<b>\$1,152,580</b>

(1) Estimated value of stock options calculated using the Black-Scholes model: \$12.72 in February 2020, \$8.21 in February 2019 and \$13.24 in February 2018.

#### Total Direct Compensation Calculation of the 2020 Annual Bonus



Weighting	Bonus as a percentage of Target	Bonus
%	%	\$
Return on Shareholders' Equity	35	76.4
New Business	10	157.8
Cost Control	10	114.1
Divisional Objectives and Qualitative Assessment	45	182.7
<b>Total</b>	<b>100</b>	<b>136.2</b>
Profit Threshold Met	Yes	Yes
<b>Total Bonus Paid</b>	<b>136.2</b>	<b>376,611</b>

## Summary Compensation Table

Name and Principal Occupation	Year	Salary	Share-Based Awards <sup>(1)</sup>	Option-Based Awards <sup>(2)</sup>	Annual Incentive Plan <sup>(3)</sup> (non-equity)	Pension Value	Other Compensation <sup>(4)</sup>	Total Compensation
<b>DENIS RICARD</b>	2020	\$950,000	\$284,984	\$763,200	\$1,227,891	\$3,677,435	N/A	\$6,903,510
President and Chief Executive Officer	2019	\$842,960	\$252,893	\$492,600	\$ 947,858	\$3,135,171	N/A	\$5,671,482
	2018	\$671,375	\$178,341	\$670,663	\$ 762,911	\$1,376,958	N/A	\$3,660,248
<b>JACQUES POTVIN</b>	2020	\$461,000	\$138,298	\$445,200	\$ 346,322	\$1,381,530	N/A	\$2,772,350
Executive Vice President and Chief Financial Officer and Chief Actuary	2019	\$418,910	\$125,672	\$287,350	\$ 270,283	\$1,849,996	N/A	\$2,952,211
	2018	\$350,990	\$ 92,260	\$264,800	\$ 253,665	\$ 530,759	N/A	\$1,492,474
<b>MICHAEL L. STICKNEY</b>	2020	\$622,549 <sup>(5)</sup>	\$181,773 <sup>(6)</sup>	\$508,800	\$ 558,099 <sup>(7)</sup>	\$ 406,577	N/A	\$2,277,798
Executive Vice President and Chief Growth Officer	2019	\$519,057 <sup>(5)</sup>	\$146,630 <sup>(6)</sup>	\$188,830	\$ 478,807 <sup>(7)</sup>	\$ 354,475	N/A	\$1,687,799
	2018	\$463,843 <sup>(5)</sup>	\$135,503 <sup>(6)</sup>	\$304,520	\$ 279,887 <sup>(7)</sup>	\$ 326,124	N/A	\$1,509,877
<b>ALAIN BERGERON</b>	2020	\$564,000	\$169,225	\$508,800	\$ 519,250	\$ 317,568	\$250,000 <sup>(8)</sup>	\$2,328,843
Executive Vice President and Chief Investment Officer	2019	\$180,822	\$ 0	\$502,800	\$ 412,500	\$ 81,279	\$250,000	\$1,427,401
	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>RENÉE LAFLAMME</b>	2020	\$461,000	\$138,298	\$445,200	\$ 376,611	\$ 592,334	N/A	\$2,013,443
Executive Vice President, Individual Insurance, Savings and Retirement	2019	\$418,910	\$125,672	\$287,350	\$ 323,595	\$1,048,221	N/A	\$2,203,748
	2018	\$388,625	\$112,493	\$397,200	\$ 254,262	\$ 568,338	N/A	\$1,720,918

- (1) Share value is calculated on the award date. This value is \$72.94 for 2020, \$46.98 for 2019 and \$60.58 for 2018. 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 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 is determined using the Black-Scholes model: \$12.72 in February 2020 (\$8.21 in February 2019, \$8.38 in September 2019, \$13.24 in February 2018 and \$10.58 in July 2018). The Black-Scholes valuation model estimates the fair value of options. The pricing model assumes the following information: risk-free interest rate of 1.38 % in February 2020 (1.80 % in February 2019, 1.44 % in September 2019, 2.17 % in February 2018 and 2.24 % in July 2018); expected volatility of 22.61 % in February 2020 (25.80 % in February 2019, 22.92 % in September 2019, 29.04 % in February 2018 and 28.47 % in July 2018); mathematical expected life of 5.4 years in February 2020 (5.6 years in February and September 2019, 5.7 years in February 2018 and 5.6 years in July 2018) and expected dividends of 2.59 % in February 2020 (3.58 % in February 2019, 3.18 % in September 2019, 2.68 % in February 2018 and 3.22 % in July 2018).
- (3) The bonus is established according to a predetermined formula (see "Compensation Components" section) 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) Mr. Stickney's salary was paid in U.S. dollars and converted into Canadian dollars using the average exchange rate for 2020 (1.3415 = US \$464,069), 2019 (1.3269 = US \$391,180 and 2018 (1.2957 = US \$357,987).
- (6) PSUs were granted in U.S. dollars and converted to Canadian dollars using the exchange rate at the time of grant (2020: 1.3305 = US \$136,620; 2019: 1.3270 = US \$110,497; 2018: 1.2609 = US \$107,465).
- (7) Mr. Stickney's annual bonus was paid in U.S. dollars and converted into Canadian dollars using the exchange rate at the time of payment (2020: 1.2561 = US \$444,303) 2019: 1.3217 = US \$362,228 and 2018: 1.3196 = US \$212,100).
- (8) This amount corresponds to the second payment of the retention bonus payable annually to Mr. Bergeron, in February, for a five years period according to the terms of his employment contract. Payments of the retention bonus are conditional on the employment being maintained at the time of payment.

## Outstanding Awards as at the End of the Last Financial Year

As of December 31, 2020, stock options to purchase Common Shares were awarded to the Named Executive Officers and are outstanding as set out in the following table. All 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.

	Financial Year of Award	Option-Based Awards			
		Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiry Date	Value of Unexercised In-the-Money Options <sup>(1)</sup>
<b>DENIS RICARD</b>	2011	-	38.48	February 11, 2021	
	2012	9,000	26.03	February 10, 2022	262,350
	2013	23,000	35.51	February 8, 2023	452,410
	2014	25,000	43.38	February 7, 2024	295,000
	2015	25,000	39.96	February 6, 2025	380,500
	2016	30,000	40.91	February 5, 2026	428,100
	2017	35,000	55.85	February 10, 2027	-
	2018	40,000	58.43	February 9, 2028	-
	2018	13,333	52.66	July 31, 2028	33,599
	2019	60,000	48.82	February 8, 2029	381,600
	2020	60,000	73.93	February 7, 2030	-
	<b>Total</b>	<b>320,333</b>			<b>2,233,559</b>
<b>JACQUES POTVIN</b>	2011	-	38.48	February 11, 2021	-
	2012	-	26.03	February 10, 2022	-
	2013	3,000	35.51	February 8, 2023	59,010
	2014	3,000	43.38	February 7, 2024	35,400
	2015	4,000	39.96	February 6, 2025	60,880
	2016	4,000	40.91	February 5, 2026	57,080
	2017	6,000	55.85	February 10, 2027	-
	2018	20,000	58.43	February 9, 2028	-
	2019	35,000	48.82	February 8, 2029	222,600
	2020	35,000	73.93	February 7, 2030	-
	<b>Total</b>	<b>110,000</b>			<b>434,970</b>
	<b>Total</b>	<b>320,333</b>			<b>2,233,559</b>
<b>MICHAEL L. STICKNEY</b>	2011	-	38.48	February 11, 2021	-
	2012	25,000	26.03	February 10, 2022	728,750
	2013	23,000	35.51	February 8, 2023	452,410
	2014	23,000	43.38	February 7, 2024	271,400
	2015	23,000	39.96	February 6, 2025	350,060
	2016	23,000	40.91	February 5, 2026	328,210
	2017	23,000	55.85	February 10, 2027	-
	2018	23,000	58.43	February 9, 2028	-
	2019	23,000	48.82	February 8, 2029	146,280
	2020	40,000	73.93	February 7, 2030	-
	<b>Total</b>	<b>226,000</b>			<b>2,277,110</b>
	<b>Total</b>	<b>320,333</b>			<b>2,233,559</b>

		Option-Based Awards			
	Financial Year of Award	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiry Date	Value of Unexercised In-the-Money Options <sup>(1)</sup>
		Number	\$		\$
<b>ALAIN BERGERON</b>	2019	60,000	54.79	September 3, 2029	23,400
	2020	40,000	73.93	February 7, 2030	-
	<b>Total</b>	<b>100,000</b>			<b>23,400</b>
<b>RENÉE LAFLAMME</b>	2011	-	38,48	February 11, 2021	-
	2012	-	26,03	February 10, 2022	-
	2013	10,000	35,51	February 8, 2023	196 700
	2014	10,000	43,38	February 7, 2024	118 000
	2015	10,000	39,96	February 6, 2025	152 200
	2016	18,000	40,91	February 5, 2026	256 860
	2017	23,000	55,85	February 10, 2027	-
	2018	30,000	58,43	February 9, 2028	-
	2019	35,000	48,82	February 8, 2029	222 600
	2020	35,000	73,93	February 7, 2030	-
	<b>Total</b>	<b>171,000</b>			<b>946,360</b>

(1) This amount is calculated based on the difference between the closing share price on December 31, 2020 (\$55.18) 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 based on the dividends paid on Common Shares.

	Financial Year of Award	Share-Based Awards			
		PSU	DSU <sup>(2)</sup>	Market or Payout Value of Share-Based Awards that Have Not Vested <sup>(1)</sup>	Market or Payout Value of Share-Based Awards that Have Vested (not paid or distributed)
<b>DENIS RICARD</b>	2019	5,771	324,503		
	2020	4,061	228,350	<b>46,701</b>	<b>2,576,961</b>
	<b>Total</b>	<b>9,832</b>	<b>552,853</b>		
<b>JACQUES POTVIN</b>	2019	2,868	161,268		
	2020	1,971	110,829	<b>8,580</b>	<b>473,444</b>
	<b>Total</b>	<b>4,839</b>	<b>272,097</b>		
<b>MICHAEL L. STICKNEY</b>	2019	2,521	180,484 <sup>(4)</sup>		
	2020	1,947	139,390 <sup>(4)</sup>	<b>1,252</b>	<b>69,085</b>
	<b>Total</b>	<b>4,468</b>	<b>319,874<sup>(4)</sup></b>		
<b>ALAIN BERGERON</b>	2019	-	-		
	2020	2,411	135,571	<b>197</b>	<b>10,870</b>
	<b>Total</b>	<b>2,411</b>	<b>135,571</b>		
<b>RENÉE LAFLAMME</b>	2019	2,868	161,268		
	2020	1,971	110,829	<b>17,756</b>	<b>979,776</b>
	<b>Total</b>	<b>4,839</b>	<b>272,097</b>		

- (1) The value of non-vested PSUs is based on 100 % target performance criteria and the arithmetic average of the weighted average prices of a Common Share for the last 20 business days of 2020 (\$56.23).
- (2) These executive officers have elected to receive a percentage of their 2020 annual bonus in the form of DSUs. All these DSUs have fully vested. This amount is calculated based on the share closing price on December 31, 2020 (\$55.18).
- (3) Total DSUs (share-based awards and dividends) as of December 31, 2020.
- (4) The value of non-vested PSUs was converted to Canadian dollars using the exchange rate on December 31, 2020 (2019: 1.2732 = US\$141,756; 2020: 1.2732 = US\$109,480).

## 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 2020.

	Option-Based Awards – Value Vested During the Year <sup>(1)</sup>	Share-Based Awards – Value Vested During the Year <sup>(2)</sup>	Compensation Based on a Non-Equity Incentive Plan – Value Earned During the Year <sup>(3)</sup>
<b>DENIS RICARD</b>	\$984,038	\$188,309	\$1,227,891
<b>JACQUES POTVIN</b>	\$378,853	\$ 97,417	\$ 346,322
<b>MICHAEL L. STICKNEY</b>	\$550,678	\$144,063 <sup>(4)</sup>	\$ 558,099
<b>ALAIN BERGERON</b>	\$ 0	\$ 0	\$ 519,250
<b>RENÉE LAFLAMME</b>	\$618,965	\$118,780	\$ 376,611

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

(2) Awards for 2018, for which the performance period was from January 1, 2018, to December 31, 2020, were paid on February 18, 2021.

(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) The value vested of the PSUs for Mr. Stickney was converted to Canadian dollars using the exchange at the time of payment (1.2696 = US\$113,471).

## Payment of 2018 PSU Awards

PSUs awarded to Named Executive Officers in 2018 vested on December 31, 2020 (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, 2020;

- 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 2018	Number of Dividend Equivalents Received	Total Number of PSUs	Performance Coefficient (rounded)	Vesting Price	Payment Value on Vesting	Award Value	Difference Between the Award Value and the Payment Value
	Number	Number	Number	Multiple	\$	\$	\$	\$
<b>DENIS RICARD</b>	2,944	313	3,257	1.03	56.23	188,309	178,341	9,968
<b>JACQUES POTVIN</b>	1,523	162	1,685	1.03	56.23	97,417	92,260	5,157
<b>MICHAEL L. STICKNEY</b>	1,774	188	1,962	1.03	56.23	144,063 <sup>(1)</sup>	135,503 <sup>(2)</sup>	8,560
<b>ALAIN BERGERON</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>RENÉE LAFLAMME</b>	1,857	197	2,054	1.03	56.23	118,780	112,493	6,287

(1) The value vested of the PSUs for Mr. Stickney was converted to Canadian dollars using the exchange rate on February 18, 2021, being the date of payment (1.2696 = US\$113,471).

(2) PSUs were granted in U.S. dollars and converted to Canadian dollars using the exchange rate at the time of grant (2018: 1.2609 = US\$107,465).

## Calculation of the Performance Coefficient

Performance is measured based on net earnings and on the percentile rank of the TSR.

- 75 % of the performance is measured based on the net earnings realized for each of the three years of the performance period.

	Threshold 50 %	Target 100 %	Maximum 150 %	Actual	Performance Coefficient for the Period (rounded)
	Millions	Millions	Millions	Millions	
2018-2020	1,400	1,900	2,050	1,911	1.04

- 25 % of the performance is measured using the average of the percentile rank of the TSR of the three years of the performance period.

	Threshold 50 %	Target 100 %	Maximum 150 %	Actual	TSR Coefficient for the Period (rounded)
2018-2020	66 to 75 %	46 to 55 %	1 to 35 %	50 %	1.00 %

**75 %**  
Of the Coefficient  
of Net Earnings  
 $(1.04 \times 75 \% = 0.78)$

**25 %**  
+ Of the Coefficient  
of the Relative TSR  
 $(1.00 \times 25 \% = 0.25)$

= Coefficient of the  
Performance for  
the Period  
**(1.03)**

## Options Exercised

The following table lists, for each of the Named Executive Officers, the number and net value of options that were exercised during 2020.

	Award Year	Option Awards		
		Number of Shares Acquired on Exercise	Exercise Price	Net Value Realized Upon Exercise <sup>(1)</sup>
Year	Number	\$	\$	
<b>DENIS RICARD</b>	2012	4,000	26.03	120,280
<b>JACQUES POTVIN</b>	2012	3,000	26.03	95,910
<b>MICHAEL L. STICKNEY</b>	2011	25,000	38.48	579,528
<b>ALAIN BERGERON</b>	-	-	-	-
<b>RENÉE LAFLAMME</b>	2012	6,000	26.03	250,986
<b>TOTAL</b>		<b>38,000</b>		<b>1,046,704</b>

(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 plan and qualify for supplemental pension benefits under the supplemental pension plans. These plans are defined benefit plans.

Under these plans, the pension is calculated based on 2 % of the average salary and performance bonus paid for the best five years, multiplied by the number of years of credited service. For executives hired after January 1, 2013, the pension is calculated on the basis of 1.4 % of the average yearly maximum pensionable earnings ("YMPE") for the best five years plus 2 % of the excess of the average salary and performance bonus paid for the best five years over the average YMPE for the best five years multiplied by the number of years of credited service. The pension 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. For executives with a spouse at the date of retirement, 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. For executives without a spouse at the date of retirement, the normal form is a lifetime pension guaranteed for 12 years.

The annual retirement pension provided for under the registered pension plan 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 plan.

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:

	Number of Years of Credited Service	Annual Benefits Payable		Opening Present Value of Defined Benefit Obligation	Compen- satory Change <sup>(4)</sup>	Non- Compen- satory Change <sup>(5)</sup>	Closing Present Value of Defined Benefit Obligation
		At Year End	At Age 65 <sup>(3)</sup>				
	Number	\$	\$	\$	\$	\$	\$
<b>DENIS RICARD<sup>(1)</sup></b>	35.58	862,227	1,035,637	14,108,251	3,677,435	4,959,563	22,745,250
<b>JACQUES POTVIN</b>	30.56	297,273	351,505	5,803,517	1,381,530	899,223	8,084,270
<b>MICHAEL L. STICKNEY<sup>(2)</sup></b>	19.00	311,443	311,443	4,418,333	406,577	422,310	5,247,220
<b>ALAIN BERGERON</b>	1.33	19,281	376,858	102,853	317,568	34,078	454,499
<b>RENÉE LAFLAMME</b>	22.72	244,205	380,273	4,664,453	592,334	773,640	6,030,427

- (1) The Human Resources and Compensation Committee 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) Effective September 1, 2012, Mr. Stickney only accrues benefits under the supplemental pension plan as he is no longer eligible to participate in the registered pension plan.
- (3) Annual benefits payable at age 65 or at the end of the fiscal year if the member is over age 65.
- (4) 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. The differences between actual and estimated earnings are based on the most recent actuarial valuation as of December 31, 2019. The Corporation extrapolates its defined benefit obligations for the current year using the December 31, 2019 actuarial valuation.
- (5) 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.

The Corporation acquired Seaboard Life Insurance Company ("Seaboard") in 1999. The Corporation assumed Seaboard's obligations with respect to the retirement arrangement for Mr. Michael L. Stickney. Mr. Stickney was a participant in an unregistered notional account in which he accrued rights until December 31, 2001. Since that date, this account has been evolving solely based on credited investment returns. The following table sets forth the value of Mr. Stickney's Plan at the beginning and end of the Corporation's fiscal year ended December 31, 2020. The accumulated value at retirement will be payable in a maximum of eleven payments, the first being on the first of the month following end of employment and on each December 1 following the initial payment thereafter. The amounts of the ten annual payments on each December 1 will be calculated by dividing the accumulated value at that date by the number of remaining annual payments. The value of the notional account will be nil following these payments.

Value accrued at the Beginning of the Fiscal Year	Compensatory Amount	Non- Compensatory Amount	Value accrued at the End of the Fiscal Year
\$	\$	\$	\$
<b>MICHAEL L. STICKNEY</b> 403,677	-	18,287	421,964

## **Termination and Change of Control Benefits**

---

### **Employment Contract of the President and Chief Executive Officer**

As provided in the employment contract entered into with Mr. Denis Ricard, if the Corporation terminates the employment of Mr. 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 except for 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 his employment with cause, Mr. Ricard will be required, for a period of 24 months following the end of his employment, to non-competition and non-solicitation obligations.

## **Other Employment Contracts and Other Conditions of Termination**

Except for 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 participants' grants.

Compensation Components		
	Options	PSUs
Resignation	Expiry of all options as at the date of termination.	Expiry of all unvested PSUs as at the date of termination.
Termination (without cause)	Vested options may be exercised for three years after the date of termination.  Unvested options will be cancelled unless the Board decides otherwise.	Vesting in proportion to the number of months worked during the performance period and by using the actual performance as at the date of termination.
Termination (with cause)	Expiry of all options as at the date of termination.	Expiry of all unvested PSUs as at the date of termination.
Retirement	Vested options may be exercised for 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 by using the actual performance as at the date of termination.
Termination Following a Change of Control	Vested options may be exercised for 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 by using the actual performance as at the date of termination.  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, 2020 and considering, for the share-based compensation, a Common Share closing price of \$55.18 as at December 31, 2020.

	Nature of Payment	Resignation	Termination (without cause)	Termination (with cause)	Retirement	Termination Following a Change of Control
		\$	\$	\$	\$	\$
<b>DENIS RICARD</b>	Salary	-	1,900,000	-	-	1,900,000
	Annual Bonus	-	1,408,412	-	-	1,408,412
	PSUs	-	458,014	-	458,014	458,014
	Options	-	303,000	-	-	303,000
	Pension benefits	-	5,630,595	-	-	5,630,595
	<b>Total Value</b>	-	<b>9,700,021</b>	-	<b>458,014</b>	<b>9,700,021</b>
<b>JACQUES POTVIN</b>	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	230,748	-	230,748	230,748
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	<b>Total Value</b>	-	<b>230,748</b>	-	<b>230,748</b>	<b>230,748</b>
<b>MICHAEL L. STICKNEY</b>	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	297,731	-	297,731	297,731
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	<b>Total Value</b>	-	<b>297,731</b>	-	<b>297,731</b>	<b>297,731</b>
<b>ALAIN BERGERON</b>	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	35,410	-	35,410	35,410
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	<b>Total Value</b>	-	<b>35,410</b>	-	<b>35,410</b>	<b>35,410</b>
<b>RENÉE LAFLAMME</b>	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	252,111	-	252,111	252,111
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	<b>Total Value</b>	-	<b>252,111</b>	-	<b>252,111</b>	<b>252,111</b>

## **Other Information**

---

### **Interest of Informed Persons in Material Transactions**

To 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**

Except for routine indebtedness, the Corporation does not grant loans to directors and executive officers to acquire its shares or for other purposes. Consequently, except for 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 ia.ca. To obtain free copies of these documents, please send a written request to the Corporate Secretary 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 sedar.com as well as on our website at ia.ca.

### **Approval of the Directors**

The contents and sending of the Circular have been approved by the Board of Directors.  
Quebec City, Quebec, March 9, 2021



Jennifer Dibblee  
Vice President, Legal Services  
and Corporate Secretary

# SCHEDULE A - Board of Directors Charter

---

## BOARD OF DIRECTORS CHARTER iA FINANCIAL CORPORATION INC.

The Board of Directors (the “**Board**”) is responsible for independently supervising the strategic planning and internal affairs of iA Financial Corporation 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 - By-Laws

---

### IA FINANCIAL CORPORATION INC.

#### BY-LAWS

Translation of the French version

Adopted ~~as part of a plan of arrangement sanctioned by~~  
the Superior Court Board of Quebec Directors on May 17, 2018 February 11, 2021  
Approved and ratified by the shareholders on • 2021

CAN\_DMS:\110513634\5

## IA FINANCIAL CORPORATION INC.

### BY-LAWS

#### **Article 1 – Definitions**

In this by-law,

- a) “QBCA” means the *Business Corporations Act (Quebec)*
- b) “Corporation” means iA Financial Corporation Inc.

#### **Article 2—Corporate Name**

The name of the Corporation in French is la Société financière inc. and in English, IA Financial Corporation Inc.

#### **Article 3—Article 2 – Head Office**

The head office of the Corporation is located at 1080 Grande Allée West, in Quebec, district of Quebec, or any other City, at the location in the City of Quebec as may be determined designated from time to time by a resolution of the board of directors.

#### **Article 4—Article 3 – Seal**

The Corporation shall can, if the board of directors adopts one, have a seal in a form that is approved from time to time by the board of directors.

#### **Article 5—Annual Meeting**

#### **Article 4 – Shareholder Meetings**

The chair of the board or, in his/her absence, the president and chief executive officer or, in their his/her absence, a vice-chair of the board of the Corporation (if any), and or, in their absence, any director selected among the directors present at the meeting shall act as chair of any annual or special meeting of the Corporation.

The Corporation's secretary or, in his/her absence, an assistant secretary, or, in their absence, any person designated by the directors present at the meeting shall act as chair and secretary respectively of any annual or special meeting of the Corporation.

#### **Article 6—Special Meeting**

The board of directors may, when it deems appropriate, and must, upon receipt of a written request signed by the holders of at least ten percent (10%) of shares conferring the right to vote at the meeting requested, convene a special meeting to consider any business specified in such request.

#### **Article 7—Article 5 – Calling of Meetings and Notices**

All annual or special meetings of the Corporation shall be convened by a notice specifying the date, time, location, and purpose of the meeting.

Notice of any shareholder meeting must be given to shareholders entitled to vote at such meeting and to each director no less than twenty-one (21) and no more than sixty (60) days prior to the date set for the meeting.

Irregularities in a notice of meeting or transmission thereof, inadvertent failure to give such a notice of meeting to a shareholder, or the non-receipt of a notice of meeting by a shareholder do not invalidate the actions or measures taken at the meeting.

## **Article 8—Article 6 – Quorum**

The quorum for a meeting of shareholders shall be attained when at least three (3) common shareholders having over twenty-five percent (25%) of the votes are present or represented.

## **Article 9—Shareholders' Rights**

**The shareholders of the Corporation are entitled to all the rights and privileges granted to shareholders by law.**

## **Article 7 – Participation in Meetings**

Anyone entitled to attend a meeting of shareholders may do so by any means that allow all participants to immediately communicate directly with one another, if the Corporation makes such means available to shareholders. Any person participating in the meeting by such means of communication is deemed to be present at the meeting.

A shareholder who attends such a meeting may vote, as required, by any means made available to shareholders by the Corporation that permit votes to be both counted and subsequently verified and that preserve the secrecy of voting when such voting is required.

The board of directors may determine that a meeting of shareholders shall be held solely by means of equipment enabling all participants to communicate directly with one another.

The meeting chair shall determine if an equipment enables all participants to communicate directly with one another. A meeting held solely by means of equipment enabling all participants to communicate directly with one another is deemed to be held at the head office of the Corporation.

## **Article 10—Article 8 – Right to Vote at Meetings and Shareholder Decisions**

Voting at meetings shall be by a show of hands unless, prior to or following any vote by a show of hands, the meeting chair or any shareholder or proxyholder requests a ballot vote on issues he/she is entitled to vote on. For a vote by a show of hands, shareholders shall be entitled to one vote per person. If the vote is by ballot, the holders of common shares shall be entitled to one vote per common share held. Unless a ballot vote is requested, the declaration by the meeting chair, as duly noted in the minutes of the meeting, that a resolution has been carried, unanimously carried, carried by a particular majority, or not carried shall be evidence of that fact in the absence of any evidence to the contrary.

In the case of a meeting held solely by means of equipment enabling all participants to communicate directly with one another, voting at the meeting shall be held by means of any telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

The decisions made by a majority vote of the votes cast at a meeting shall be considered the decisions of all shareholders, except in the event where more than a majority vote or the consent of more than a majority vote is required under the Corporation's articles, the law, or a special provision of the Corporation's by-laws.

## **Article 11—Proxies**

When a ballot vote is taken at any annual or special meeting, anyone who is entitled to vote may vote in person or by proxy.

All proxies must be in writing and signed by the mandator or his/her attorney authorized in writing. Proxies issued by a corporation must be signed by a duly authorized representative thereof.

To be valid, all proxies authorizing a proxyholder to vote at an annual or special meeting must have been received by the Corporation at least forty-eight (48) hours, excluding Saturdays and holidays, preceding the date of the meeting or of its resumption after an adjournment.

#### **Article 12 Article 9 – Scrutineers**

The chair of any annual or special meeting may appoint one or more individuals, whether or not such individuals are shareholders, to act as a scrutineer or scrutineers at such meeting.

#### **Article 13 Article 10 – Adjournment**

The chair of an annual or special meeting of the Corporation may, with the consent of the meeting and without further notice, adjourn such meeting to a date less than thirty (30) days following such adjournment at a specific time and place. If the date of the adjourned meeting is after such period of less than thirty (30) days, notice of such adjourned meeting shall be given in the manner prescribed in Article 7 above as for a new meeting.

#### **Article 14 Article 11 – Solemn Declaration**

The president and chief executive officer or the corporate secretary may require anyone in whose name a share of the Corporation is registered to remit a solemn declaration concerning the following:

- a) The beneficial ownership of such share;
- b) Whether the shareholder is controlled by or controls any other shareholder;
- c) The name of any other person who is related to the shareholder (*within the meaning of the QBCA*) and, to the shareholder's knowledge, holds shares in the Corporation; and
- d) Any matter that the president and chief executive officer or the secretary of the Corporation may deem relevant for purposes of the law.

#### **Article 15 Article 12 – Share Transfers**

The president and chief executive officer or the Corporation's secretary may require any person wishing to transfer a share registered in the name of such person or issue a share to such person to remit a solemn declaration as if such person were a shareholder.

#### **Article 16 Article 13 – Failure**

If any person wishing to exercise the voting rights attached to the shares of the Corporation that are held by such person fails to remit a declaration in accordance with the requirements herein, the shareholder may not vote his/her shares.

#### **Article 17 Article 14 – Number of Directors**

The board of directors shall be composed of no fewer than ~~nine (9)~~seven (7) and no more than twenty-one (21) directors. The number of directors to be elected by shareholders at a meeting of the shareholders of the Corporation shall be those set by the directors prior to the holding of the meeting. ~~The directors may appoint one or more additional directors, who shall cease to hold office no later than at the close of the next annual meeting following their appointment, as long as the total number of such appointed directors does not exceed one-third (1/3) of the number of directors elected at the annual meeting preceding the appointment.~~

#### **Article 18 Article 15 – Term of Office**

The term of office of each elected director shall be one (1) year. Directors shall be elected by a majority ~~vote of~~of the votes cast by the shareholders eligible to vote. The term of office shall start on the date of election and end on the date of the annual meeting following election or at the time a successor is elected.

#### **Article 19 – Meetings of the Board of Directors**

~~The board of directors shall meet regularly at least four (4) times per year. The directors shall determine, from time to time, the location of and the procedure for convening meetings, as well as the conduct of meetings of the board of directors and committees thereof.~~

## **Article 20—Article 16 – Meetings and Notices**

### **The board of directors shall meet regularly at least four (4) times per year.**

Meetings of the board of directors shall be held on the dates and at the times and locations established by the board of directors and communicated in writing to the directors, without further notice. However, a notice referring to matters to be dealt with at these meetings and relating to powers that the board of directors may not delegate under the law, must be sent in the manner and within the time specified hereunder, as for a special meeting.

Special meetings of the board of directors may be called at any time by the chair of the board, the president and chief executive officer, or five (5) directors. In such case, a notice sent by the secretary stating the subject, location, day, and time of such special meeting and referring to matters relating to powers that the board of directors may not delegate under the law, must be sent to each director by mail or by any means of telephone or electronic communication at least twenty-four (24) hours prior to the time and date fixed for the special meeting.

Special meetings of the board of directors may be held without notice when all the directors are present or when the directors who are absent have waived notice of such meeting in writing prior to, during, or after the meeting.

Any meeting of the board of directors or a committee thereof may be held by telephone or by any other means enabling all the participants to communicate directly with one another; the participants at such meeting are then deemed to have attended the meeting.

## **Article 21—Article 17 – Quorum for Board of Directors Meetings**

The presence of more than one-half of the directors shall constitute a quorum at meetings of the board of directors. If the quorum required for a vote on a resolution is not attained solely because a director is not entitled to take part in the deliberations under the law, the other directors present shall be deemed to constitute a quorum for voting purposes.

## **Article 22—Article 18 – Voting**

Any matters raised at board meetings shall be decided by a majority vote of directors present, with each director being entitled to one vote; and in the case of an equality of votes, the chair of the meeting shall not be entitled to a second or casting vote.

## **Article 23—Vacancies**

~~The term of office of a director shall end if the director becomes ineligible to continue serving his/her term, notably if the director ceases to be qualified under the law or the Corporation's by-laws, submits his/her written resignation or is removed from office.~~

## **Article 24—Article 19 – Appointments**

If a vacancy occurs on the board of directors, the directors, if they constitute more than half the board, may fill such vacancy by appointing a director for the remainder of the term of the director whose office has been vacated.

If the directors remaining in office constitute more than half the board, they shall not be bound to fill any vacancy on the board and may continue to act alone until the next annual meeting of the Corporation.

## **Article 25—Committees of the Board**

~~The board of directors may form one or more committees composed of directors and delegate powers to them as permitted by law. The board of directors shall determine, from time to time, the mandate and~~

~~composition of each committee it forms and the rules that apply for holding and conducting meetings, notably their quorum.~~

#### **Article 26 Article 20 – Election or Appointment of Executives**

At the first meeting of the board of directors following the annual meeting, the directors shall elect from among themselves the chair of the board, one or more vice-chair of the board at their discretion, and a chair for each committee formed by the board. They shall also appoint a president and chief executive officer, a secretary, and, if they deem appropriate, one or more assistant secretaries. Failing such election or appointment, the individuals then in office shall continue to hold office until their successors are elected or appointed. ~~The board of directors may also appoint one or more vice presidents from among the members of the Corporation's staff.~~

~~To the extent that it deems appropriate, the board of directors may also modify the titles and duties of the Corporation's executives, designate new offices, or abolish certain offices, subject to the provisions of laws and regulations in force.~~

#### **Article 27 Article 21 – Chair of the Board**

The chair of the board shall preside over all annual and special meetings of the Corporation and all meetings of the board of directors; ~~shall be an ex-officio member of all board committees, may vote on such committees, and shall be counted for the purposes of quorum at committee meetings;~~ shall ensure that all decisions of the board of directors are executed; and shall exercise such powers as may be assigned to him/her by the board of directors. Unless an applicable proxy provides otherwise, the chair of the board shall further act as proxyholder for shareholders at any meeting of shareholders.\_

#### **Article 28 Article 22 – Vice-Chair of the Board of Directors**

~~In the event of the absence of~~ the chair of the board ~~or, in his absence, and~~ the president and chief executive officer~~, or, in their absence,~~ one of the vice-chair of the board (if any) shall preside over all board meetings. ~~Vice-chair of the board shall exercise such powers as may be assigned to them from time to time by the board of directors.~~ Unless an applicable proxy provides otherwise, in the event of the absence of the chair of the board and of the president and chief executive officer, the vice chair of the board designated by the chair of the board shall further act as the proxyholder of shareholders at all meetings of shareholders.\_

#### **Article 29 Article 23 – Chair of a Committee of the Board**

The chair of a committee of the board shall preside over all meetings of said committee ~~and exercise such powers as may be assigned to him/her from time to time by the board of directors.~~

#### **Article 30 – President and Chief Executive Officer**

The president and chief executive officer, under the authority of the board of directors, is responsible for the general management of the Corporation and its subsidiaries. In the absence of the chair of the board, he/she shall preside over all annual and special meetings of the Corporation, perform all duties pertaining to his/her office, and exercise such powers as may be assigned to him/her by the board of directors. Unless an applicable proxy provides otherwise, in the absence of the chair of the board, the president and chief executive officer shall further act as the proxyholder of the shareholders at all meetings of shareholders.\_

#### **Article 31 – Vice Presidents**

Each vice-president shall have the powers and duties as may be assigned to him/her from time to time by the board of directors and shall perform all duties assigned to him/her on occasion by the president and chief executive officer. An executive vice-president may, as required, be designated by the board of directors to exercise all the powers and perform all the duties of the president and chief executive officer in the event of the absence of the president and chief executive officer.\_

#### **Article 32—Secretary**

The secretary shall attend all meetings of the board of directors and board of directors committees of which he/she has been designated secretary as well as all annual and special meetings of the Corporation. He/she shall draw up the minutes of such meetings and record them in one or more books kept for such purpose.

The secretary is responsible for keeping all books and records that the Corporation must keep by law and all other books and records that may be prescribed by the board of directors.

The secretary shall give notice of all annual and special meetings of the Corporation and meetings of the board of directors and any committee of the board, and shall perform any other duties as may be assigned to him/her by the board of directors.

#### **Article 33—Assistant Secretary**

The assistant secretary shall replace the secretary in his/her absence and perform all the secretary's duties. The assistant secretary shall further perform any other duties that may be assigned to him/her on occasion by the board of directors or the corporate secretary.

#### **Article 34—Article 24—Record Date**

The board of directors may establish, as it wishes, a record date to identify shareholders eligible to receive a notice of meeting, receive a dividend, participate in a liquidation distribution, or vote at a meeting or for any other purpose. ~~To determine which shareholders are eligible to receive a notice of meeting or vote at a meeting, the established record date shall be no less than twenty-one (21) and no more than sixty (60) days prior to the meeting.~~ Only shareholders registered on the established record date shall be eligible to receive a notice of meeting, receive payment of a dividend, take part in a distribution following a liquidation, or vote at a meeting or for any other purpose, as the case may be, notwithstanding any share transfer recorded in the Corporation's securities register after the record date.

#### **Article 35—Article 25—Fiscal Year**

The Corporation's fiscal year shall end on December 31 of each year.

#### **Article 36—By-law Amendments**

Subject to the applicable provisions of the law, the Corporation's by-laws may be amended and any provisions thereof repealed solely by resolution of the board of directors. Such amendments or repeals shall take effect immediately. Any amendments to or repeals of by-law provisions must be submitted for approval to the shareholders, who may, at the next meeting, approve, amend, or reject them. Such amendments or repeals shall cease to have effect at the close of such meeting if they are rejected by the shareholders or are not submitted to them. However, by-law amendments and repeals regarding procedural issues of shareholder meetings shall take effect only when approved by the shareholders.

#### **Article 37—Article 26—Invalidity**

The invalidity or inapplicability of any provision of these by-laws shall not affect the validity or applicability of the remaining provisions hereof.

## SCHEDULE C – Shareholder Proposals

---

The Mouvement d'éducation et de défense des actionnaires ("MÉDAC"), 82 Sherbrooke Street West, Montreal, Quebec, H2X 1X3, presents three proposals. A translation of these proposals and of MÉDAC's comments in support of them are reproduced below.

Following discussions with the Corporation, MÉDAC has agreed not to submit proposals No. 1 and No. 2 to a vote. At the request of MÉDAC, these proposals and the Board's response to them are presented below for information purposes. With respect to proposal No. 3, the Board's response, including its voting recommendation, follows the proposal.

### Proposal n°1 – Purpose and Commitment [translation]

**It is hereby proposed that the Board of Directors and management specify the purpose of Industrial Alliance as an organization and that one of the committees of the Board of Directors be mandated to monitor the deployment of the policies, commitments and initiatives implemented to put this new strategic direction into action, particularly in terms of health, environment, human resources and relations with stakeholders.**

#### Arguments

In August 2019, the Business Roundtable, an association whose members are the CEOs of major U.S. corporations, issued a statement that a company's purpose cannot be limited solely to the pursuit of profit and must take into account all stakeholders that may be affected by its business: customers, employees, suppliers, communities and shareholders. Without social function, companies lose all reason to exist.

A company's purpose defines how it intends to play a role in society beyond its economic activity alone. According to Jean-Dominique Sénard, President of Renault, "[translation]The purpose is the link between the past and the present; it is the DNA of the company. It is not of economic significance, but rather is a matter of vision and meaning<sup>1</sup>." At its core, it is "[translation] the contribution that the company wishes to make to the main social, societal, environmental and economic issues in its field of activity by engaging its main stakeholders."

Although many companies have taken positive steps in this direction over time, a reading of the various institutional reports does not reveal a purpose that would meet the definition cited above. In addition, there is no Board committee mandated to coordinate all actions supporting the achievement of the chosen purpose. More specifically, the mission of this committee should be to:

- prepare and inform the Board's work with regard to the deployment of the policies, commitments and initiatives implemented by Industrial Alliance within the framework of its strategic direction, particularly in terms of health, environment and human resources;
- dialogue with the various stakeholders regarding its progress towards such objectives and report on its meetings to the Board;

- review the extra-financial reporting and control systems as well as the main results of the extra-financial information published by Industrial Alliance;
- inform shareholders about the various issues raised by its work.

For such a notion of purpose to become a concrete reality and not remain merely a marketing slogan, it is important for it to find tangible expression in an institution's governance practices.

In conclusion, let us reiterate that for a growing proportion of investors, organizations with no social function lose all reason to exist.

(1) Jean-Dominique Sénard: "Le sens et le pourquoi nourrissent la motivation", Les Échos, June 8, 2018  
<https://business.lesechos.fr/directions-generales/innovation/innovation-sociale/0301754783119-jean-dominique-senard-president-de-michelin-le-sens-et-le-pourquoi-nourrissent-la-motivation-321483.php>

## Arguments

THE CORPORATION'S POSITION: iA Financial Group's purpose, which is to enable our clients to be confident and secure about their future, is at the very heart of our ethical and responsible culture and the values promoted by the Corporation for many years. This purpose took on its full meaning during the current health crisis related to COVID-19 and has guided several of our actions to implement measures to support our clients, employees, partners and community.

It is around this purpose that our strategic orientations are articulated in order to create long-term value for the Corporation and each of our stakeholders, which are essential to our success. Moreover, our vision of sustainable development is to actively contribute to the wellbeing of our customers, employees, partners, investors and communities. To support this vision, the Corporation has developed eight major guidelines that will enable it to frame its actions and achieve the objectives it has set for itself. These guidelines are: 1) Ensure the financial wellbeing of our clients; 2) Manage risk effectively; 3) Follow high standards of governance; 4) Actively contribute to our communities; 5) Manage environmental impact; 6) Create a rewarding work environment and focused on diversity and inclusion; 7) Practice responsible sourcing; and 8) Integrate ESG factors into the investment process. Establishing targets and criteria related to these objectives allows the Corporation to measure and to evaluate itself and share its progress with its stakeholders. The *Sustainability Report*, published annually, already highlights our many initiatives related to these guidelines and demonstrates the clear alignment between our purpose and our desire to create long-term value for the Corporation and all our stakeholders.

Finally, the Board of Directors of iA Financial Group is responsible for promoting the Corporation's culture and overseeing the development of strategic directions. In its responsibilities, the Board of Directors is supported by all its committees and more specifically by the Governance and Ethics Committee. The latter's responsibility includes ensuring that the Corporation's governance is linked to its strategic directions, based on a systemic approach and an ethical, transparent and responsible corporate culture that is consistent with the long-term values and interests of the Corporation and its stakeholders. The Committee is also responsible for reviewing and monitoring the sustainable development strategy and its related policies.

Considering the existence of a purpose for the Corporation and that a governance structure is already in place to ensure its deployment and monitoring, MÉDAC has

indicated its interest in seeing an explicit reference to the purpose in the mandate of the appropriate governance bodies. The Corporation undertakes to include this clarification in the mandate of the committee responsible for governance and ethics by the end of 2021.

As agreed with MEDAC, this proposal is not submitted to a vote of the shareholders.

## **Proposal n°2 – Virtual meetings and shareholders' rights [translation]**

**It is hereby proposed that the Board of Directors adopt a policy specifying the terms and conditions for holding virtual annual meetings.**

### **Arguments**

Over the past year, banks and many other organizations have turned to new teleconferencing technologies to hold their annual general meetings due to the pandemic. While being well aware that these new technologies were often being used for the first time by organizations, MÉDAC, like other individuals or organizations submitting shareholder proposals or wishing to make comments or suggestions during these virtual meetings, unfortunately experienced issues that limited the extent of their participation. More specifically, our perception of the 2020 virtual annual meetings was as follows: "we unfortunately did not have the opportunity to speak at these meetings. Indeed, shareholders were unable to take the microphone during these virtual meetings. The only people who spoke at these meetings were representatives [of the companies], i.e. the chair (of the board, and therefore of the meeting), the CEOs, etc."<sup>1</sup>. For small shareholders, this reduced presence at annual meetings may have an impact on the success of their proposals over the long term, as they may not be able to defend them in person and thus build additional support for any subsequent tabling of their proposals.

These threats are a concern for shareholder participation which, following a failure to have dialogue with the issuer or for any other reason, takes the route of publishing shareholder proposals in management circulars and at annual meetings.

The experience of the last twenty years in shareholder participation and shareholder proposals has shown the added value of such proposals in governance matters such as the separation of the functions of the President and CEO from those of the Chair of the Board of Directors, advisory votes on executive compensation, disclosure of compensation of auditors and compensation advisors, the presence of women on boards of directors and in senior management, access to proxies for the appointment of directors, etc.

We recommend that the Board of Directors adopt a policy specifying the terms and conditions for shareholder participation in virtual annual meetings:

- Oral presentation of shareholder proposals by the persons or organizations that tabled them for a period at least equivalent to the time required to read the proposals;
- Electronic display of shareholders during their interventions as well as senior management;
- Possibility to ask spontaneous questions following management interventions;
- Real-time interaction between shareholders and the chair of the meeting;
- In the event that questions raised by shareholders cannot be dealt with during the annual meeting, posting of management responses on the company's website and on SEDAR within ten days of the meeting.

<sup>(1)</sup> <https://medac.qc.ca/1798/>

## **Arguments**

### **THE CORPORATION'S POSITION:**

Due to the ongoing impact of the COVID-19 pandemic, the Corporation's Annual Meeting of Shareholders will once again be held in a virtual environment only. Our first priority and duty as a responsible citizen is to respect health protocols and ensure the safety of our employees, clients and shareholders. The Corporation's goal, however, remains to provide shareholders with the same opportunities to express their views and vote as in-person meetings, while recognizing the technological constraints of holding a virtual meeting. To this end, the Corporation is working with its suppliers to provide the best possible experience for its shareholders. As a result, shareholders who have submitted a proposal will be able to present it verbally following the same rules applicable to them as if they were present in person at the Meeting. A question period will be held, as in previous years, at the end of the Meeting. It will then be possible for shareholders and Proxyholders present online to ask questions verbally or to submit questions in writing using the chat tool made available to them. The Corporation has published on its website, at ia.ca, the rules of conduct applicable to the virtual meeting. These rules are intended to ensure that the Meeting runs smoothly and provide, among other things, the terms and conditions under which a shareholder may intervene at the Meeting and ask questions. We encourage Registered Shareholders and Beneficial Owners to review the rules of conduct and to carefully follow the instructions in this Circular and on their Proxy Form or Voting Instruction Form, as applicable, to attend and participate fully to the Meeting. In this regard, please refer to the section "How to Vote?" on page 12 of this Circular.

As agreed with MÉDAC, this proposal is not submitted to a vote of the shareholders.

## **Proposal n°3 – New external auditor [translation]**

**It is hereby proposed that the Board of Directors appoint a new external auditor given that Deloitte has been used since 1940.**

### **Arguments**

At the last Annual Meeting, 6.28% of shareholders exercised their voting rights with regard to the reappointment of the external auditors.

Arguably, these shareholders want a fresh look at the company's compliance with generally accepted accounting principles. This proposal aims to address institutional familiarity risks that may compromise the independence of audit firms with long-standing clients. The current rules requiring partner rotation only address threats related to familiarity at the individual level. This approach could also improve the quality of the audit through increased oversight of the auditor by the Audit Committee, greater transparency of the role of the Audit Committee in audit oversight and changes in the culture of firms.

We favour a call for tenders that excludes the current auditor so as to avoid that, as the tender period in which the auditor would be included approaches, the auditor might be more accommodating toward management for fear that the mandate would not be renewed.

### **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.

According to the report *Enhancing Audit Quality: Canadian Perspective*, published in 2013 by the Chartered Professional Accountants of Canada and the Canadian Public Accountability Board, the Auditor Independence Working Group concluded that mandatory rotation of audit firms and mandatory retendering of the audit would not contribute to the enhancement of audit quality and does not support the proposal to oblige the performance periodic calls for tenders for the auditor<sup>1</sup>. According to the working group:

“[...] there are few compelling arguments to support the outcomes attributed to remedies that call for a mandatory change of audit firms. Moreover, the argument that the rotation of audit firms will improve auditor skepticism when questioning management judgments and actions does not provide enough evidence to support such a conclusion.”<sup>2</sup>

The Corporation believes that the proposal is unduly burdensome and prescriptive and that the Audit Committee should retain the role it has of determining when to call for tenders for the audit. The Corporation meets the highest standards of auditor oversight and believes that there are sufficient controls in place to ensure the auditor independence.

Following a comprehensive and formal bidding process involving different accounting firms to recommend the appointment of the external auditor for the 2013 financial year, the Audit Committee concluded that it was in the interests of the Corporation to recommend to the shareholders the renewal of the mandate of Deloitte. In addition, 5 years after, in 2017, the Audit Committee conducted a comprehensive review of Deloitte.

As recommended by the Canadian Public Accountability Board and Provincial Boards, a rotation of the senior audit partner is required at least every seven years. For the Corporation, the last rotation occurred during the 2019 audit, i.e. after a six-year term. The auditor has adopted the policies and procedures required to ensure its compliance with the required independence and has provided the necessary evidence to the Audit Committee, in accordance with the *Code of ethics of Chartered Professional Accountants* (Quebec).

In addition, the Corporation has adopted a policy on the independence of the external auditor which establishes in particular the procedures for the granting of service contracts for non-audit services and for the recruitment of partners or employees of the external auditor. The Audit Committee oversees the independence of the auditor and approves all audit services and determines non-audit services that may be provided by the auditor. The Audit Committee comprehensively assesses on an annual basis the performance and quality of the audit work performed by Deloitte annually and is satisfied with it.

The Corporation believes that dealing with the same auditor for some time contributes to a higher quality of audit services. The institutional knowledge of Deloitte of the activities of the Corporation also leads to efficiencies drawn from experience, which translates into savings in fees and in being proactive regarding issues whose scope extends beyond the annual mandate.

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

<sup>(1)</sup> Enhancing audit quality final report: Canadian perspectives, conclusions and recommendations, p. 12 <https://www.cpacanada.ca/en/business-and-accounting-resources/audit-and-assurance/enhancing-audit-quality/publications/eaq-initiative/eaq-final-report-canadian-recommendations>

<sup>(2)</sup> Idem p. 11

# iA Financial Corporation Inc.

## Head Office

iA Financial Group  
1080 Grande Allée West  
PO Box 1907, Station Terminus  
Quebec City, QC G1K 7M3

Telephone: 418-684-5000  
Toll-free: 1-800-463-6236  
[ia.ca](http://ia.ca)



F99-18A(21-03)

**INVESTED IN YOU.**

---

iA Financial Group is a business name and trademark of  
**iA Financial Corporation Inc.**

**ia.ca**