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AND STRONG.**

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ANNUAL INFORMATION FORM
For the year ended
December 31, 2020

Industrial Alliance Insurance
and Financial Services Inc.

March 30, 2021



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Reporting

General Information

The Corporation's name is "Industrial Alliance Insurance and Financial Services Inc." (hereafter "**iA Insurance**" or the "**Corporation**").

In this Annual Information Form, "**iA Financial Group**" refers to iA Insurance and its parent company, iA Financial Corporation Inc. ("**iA Financial Corporation**").

Unless otherwise indicated, all information presented in this Annual Information Form is established as at December 31, 2020 or for the year ended on that date, and is presented on a consolidated basis. All amounts indicated in this Annual Information Form are denominated in Canadian dollars unless otherwise specified. The Corporation's results and financial statements are presented in accordance with the International Financial Reporting Standards ("IFRS"), and in accordance with the accounting requirements prescribed by the regulatory authorities. This Annual Information Form was filed on the SEDAR website (the System for Electronic Document Analysis and Retrieval) at sedar.com on March 26, 2021 under iA Insurance's profile.

Documents Incorporated by Reference

This document should be read in conjunction with the following documents from iA Insurance, certain parts of which are incorporated by reference:

- *Management's Discussion and Analysis* for the year ended December 31, 2020 ("**Management's Discussion and Analysis**"). The *Management's Discussion and Analysis* was filed on the SEDAR website on February 11, 2021; and
- the Consolidated Financial Statements for the years ended December 31, 2020 and 2019, including the *Notes to Consolidated Financial Statements* (the "**Consolidated Financial Statements**"). The Consolidated Financial Statements were filed on the SEDAR website on February 11, 2021.

These documents were filed with the securities regulatory authorities of Canada and can be consulted on the SEDAR website at sedar.com. They are also available on the Corporation's website at ia.ca/investorrelations. All references found in this Annual Information Form are made to parts of the documents filed on SEDAR on the dates indicated above.

Non-IFRS Financial Information

iA Insurance reports its financial results and statements in accordance with International Financial Reporting Standards ("**IFRS**"). It also publishes certain financial measures that are not based on IFRS ("**non-IFRS**"). A financial measure is considered a non-IFRS measure for Canadian securities law purposes if it is presented other than in accordance with the generally accepted accounting principles used for a company's audited financial statements. These non-IFRS financial measures are often accompanied by and reconciled with IFRS financial measures. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. The Corporation believes that these non-IFRS financial measures provide additional information to better understand the Corporation's financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full-year results of the Corporation's ongoing operations. Since non-IFRS financial measures do not have standardized definitions and meaning, they may differ from the non-IFRS

financial measures used by other institutions and should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. The Corporation strongly encourages investors to review its financial statements and other publicly-filed reports in their entirety and not to rely on any single financial measure.

Non-IFRS financial measures published by the Corporation include, but are not limited to: return on common shareholders' equity (ROE), sales, assets under management (AUM), assets under administration (AUA), capital and solvency ratio.

Sales is a non-IFRS measure used to assess the Corporation's ability to generate new business. They are defined as fund entries on new business written during the period. Net premiums, which are part of the revenues presented in the financial statements, include both fund entries from new business written and in-force contracts. Assets under management and administration is a non-IFRS measure used to assess the Corporation's ability to generate fees, particularly for investment funds and funds under administration. An analysis of revenues by sector is presented in the "Profitability" section of the annual *Management's Discussion and Analysis*.

Forward-Looking Statements

This Annual Information Form may contain statements relating to strategies used by iA Insurance or statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "may", "could", "should", "would", "suspect", "expect", "anticipate", "intend", "plan", "believe", "estimate", and "continue" (or the negative thereof), as well as words such as "objective", "goal", "guidance", and "forecast" or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this Annual Information Form, forward-looking statements include, but are not limited to, information concerning possible or assumed future operating results. These statements are not historical facts; they represent only expectations, estimates and projections regarding future events and are subject to change, particularly in light of the ongoing and evolving COVID-19 pandemic, its effect on the global economy and its uncertain impact on our operations.

Although iA Insurance believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Factors that could cause actual results to differ materially from expectations include, but are not limited to: general business and economic conditions; level of competition and consolidation; changes in laws and regulations including tax laws; liquidity of iA Insurance including the availability of financing to meet existing financial commitments on their expected maturity dates when required; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; accuracy of accounting policies and actuarial methods used by iA Insurance; insurance risks such as mortality, morbidity, longevity and policyholder behaviour including the occurrence of natural or man-made disasters, pandemic diseases (such as the current COVID-19 pandemic) and acts of terrorism.

Potential impacts of the COVID-19 pandemic – Since March 2020, the COVID-19 pandemic has had major, unprecedented implications for both society and the economy. The overall impact of the COVID-19 pandemic is still uncertain and depends on many factors, such as the progression of the virus, the emergence of new variants, the duration of the pandemic, potential treatments and therapies, the availability of vaccines, the effectiveness of government measures to slow the virus's spread and the impact of those measures on the economy. As a result, we cannot accurately predict the total bearing the pandemic have, but the impact on iA Insurance's business and financial results could be material. However, despite the short-term negative impacts of the pandemic on its results, iA Insurance remains financially solid. In addition, iA Insurance's business continuity protocol has continued, ensuring that the quality of service clients receive is similar to or better than before the pandemic and enabling employees and advisors to continue to work safely and securely.

Additional information about the material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the "Risk Management" section of the annual *Management's Discussion and Analysis*, the "Management of Risks Associated with Financial Instruments" note to the audited *Consolidated Financial Statements* for the year ended December 31, 2020, and elsewhere in iA Insurance's filings with Canadian Securities Administrators, which are available for review at sedar.com.

The forward-looking statements in this Annual Information Form reflect the Corporation's expectations as of the date of this document. iA Insurance does not undertake to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

Corporate Structure

Name, Address and Incorporation

iA Insurance, formerly known as Industrial-Alliance Life Insurance Company, is a life insurance stock company governed by the *Act respecting Industrial-Alliance Life Insurance Company* (Quebec) (the “1999 Private Bill”), as amended by the *Act to amend the Act respecting Industrial-Alliance Life Insurance Company* (Quebec) (the “2018 Private Bill”, collectively with the 1999 Private Bill, the “Private Bill”) and by the *Insurers Act* (Quebec) (the “Insurers Act”) and by the *Business Corporations Act* (Quebec) (the latter two collectively called the “Act”).

iA Insurance is the result of the conversion of Industrial-Alliance Life Insurance Company, formerly a mutual insurance company (the “Mutual Insurance Company”), into a stock company pursuant to the 1999 Private Bill, which was assented to by the National Assembly of Quebec on November 26, 1999, and the issuance, on February 10, 2000, by the Inspector General of Financial Institutions (Quebec) (now the *Autorité des marchés financiers*, hereinafter the “AMF”), of Letters Patent confirming the conversion by-law.

The Mutual Insurance Company itself resulted from the merger, in 1987, of Industrial Life Insurance Company, founded in 1905, and Alliance Mutual Life Insurance Company, founded in 1892.

In 2003, the Corporation amended its charter to adopt its current corporate name, Industrial Alliance Insurance and Financial Services Inc., and to modify its share capital so as to create the non-cumulative dividend Class A Preferred Shares, Series A, Series YY and Series ZZ. The Corporation’s charter was thereafter amended in 2006, 2008, 2009, 2010, 2012 and 2018 to create the non-cumulative dividend Class A Preferred Shares, Series B, Series C, Series D, Series E, Series F, Series G, Series H, Series I and Series J. For a detailed description of the capital structure of the Corporation, please refer to the section “Capital Structure” on page 16 of this Annual Information Form. In 2011, the charter of the Corporation was amended to allow the appointment of additional directors by the Board of Directors between annual meetings of shareholders. On June 30, 2012, the Corporation merged with its subsidiary, Industrial Alliance Pacific Insurance and Financial Services Inc. On January 1, 2019, articles of amendment were filed in order to give effect to the plan of arrangement for the implementation of the new holding company, iA Financial Corporation. iA Financial Corporation holds all the Common Shares of iA Insurance and, subject to the following, it is the only entity authorized to vote at iA Insurance’s annual meeting of shareholders. Finally, on January 1, 2020, the Corporation merged with its subsidiaries The Excellence Life Insurance Company and Corporation Financière l’Excellence Itée.

As with many other insurance companies in Quebec and Canada, iA Insurance has issued and is still issuing participating insurance policies. Under the *Insurers Act* (Quebec), only participating insurance policies issued before June 13, 2019 provide their owners with the right to attend the annual meetings of the Corporation and the right to elect at least one-third of the members of its board, with one vote per policyholder. All other directors of the Corporation are elected by the sole common shareholder, iA Financial Corporation, in accordance with the Act and the by-laws of the Corporation.

The head office of iA Insurance and of its parent company, iA Financial Corporation, is located at 1080 Grande Allée West, Quebec City, QC G1S 1C7.

Intercorporate Relationships

iA Insurance operates as an operating company and through a group of subsidiaries. Information regarding the main subsidiaries of iA Insurance, including its direct and indirect subsidiaries, can be found in Note 29 “Subsidiaries” to iA Insurance’s Consolidated Financial Statements on page 73. These companies were incorporated under the rules governing Canadian business corporations or under provincial or state rules applicable in the territory in which their head office is located. For more information on the operations of iA Insurance and its subsidiaries, please refer to the “Business Growth” section on page 7 of the *Management’s Discussion and Analysis*.

General Development of the Business

Three-Year History

iA Insurance and its subsidiaries have pursued their development plan over the last three years. The Corporation's main areas of development during such period can be grouped into three broad categories: (i) important acquisitions, disposals or mergers, (ii) financial management initiatives and (iii) strategic initiatives.

Despite the COVID-19 pandemic in 2020, the Corporation was able to pursue its development plan as initially planned, with the deployment of certain initiatives even accelerated by the pandemic. In fact, the Corporation has demonstrated the robustness of its strategic vision established with a long-term perspective, the resilience of its business model and the soundness of its choices, particularly in terms of technology.

For more information about the Corporation's acquisitions and dispositions during the past three years, please read Note 4 "Disposal of Business" of iA Insurance's Consolidated Financial Statements for the years 2018, 2019 and 2020 (page 23 in 2020).

Major Acquisitions, Disposals and Mergers

- On June 1, 2020, the Corporation announced that it had completed the sale of iA Investment Counsel Inc. ("**iAIC**") to CWB Financial Group. iAIC is comprised of two private management firms, T.E. Wealth and Leon Frazer & Associates. Founded in 1972 and 1939 respectively, the entities were components of the Corporation's wealth management division.

On January 1, 2020, iA Insurance merged with its subsidiaries The Excellence Life Insurance Company and Corporation financière L'Excellence Itée. The merger was announced publicly on September 25, 2019.

- On February 27, 2018, the Corporation completed the acquisition of the units of the private corporation PPI Management Inc. ("**PPI**"). Established in 1978, PPI is a leading insurance marketing and distribution organization in Canada and offers actuarial, tax and specialized expertise in all aspects of life insurance, and specifically in its design and custom application. PPI has a national distribution network of over 3,000 advisors.
- On January 23, 2018, the Corporation completed the acquisition of the units of the American private company Dealers Assurance Company and Southwest Reinsure, Inc. (collectively called "**DAC**"). Established in 1985 and with offices primarily in the southwestern United States, DAC manufactures and distributes vehicle service contracts (or extended warranties) through a cross-country network of new and used car dealers in the United States.

Financial Management Initiatives

- On May 16, 2019, the Corporation completed the redemption of all of its outstanding 2.80% Subordinated Debentures due May 16, 2024, with a par value of \$250 million.
- Normal Course Issuer Bid – On November 12 2018, the Corporation implemented a normal course issuer bid enabling it to redeem, over the next 12 months, up to 5% of its issued and outstanding Common Shares as at November 1, 2018. Note that the Corporation's share repurchase program was transferred to iA Financial Corporation on January 1, 2019. Between November 12, 2018 and November 11, 2019, iA Financial Corporation and the Corporation collectively repurchased and cancelled 3,905,011 Common Shares.
- Common Share issue – On March 7, 2018, the Corporation closed a bought deal public offering of 2,500,000 Common Shares at a price of \$54.10 per Common Share, for gross proceeds of \$135,250,000, purchased by a syndicate of underwriters including TD Securities Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc. and Industrial Alliance Securities Inc. In the context of the same issue,

under the over-allotment option, the Corporation issued, on March 12, 2018, 250,000 additional Common Shares, also at a price of \$54.10 per Common Share, for gross proceeds of \$13,525,000. The shares were issued under a prospectus supplement dated February 28, 2018 to the short form base shelf prospectus dated June 22, 2017.

- Preferred Share issue – On March 7, 2018, the Corporation closed an offering of \$150 million principal amount of 4.80% Non-Cumulative 5-Year Rate Reset Class A Preferred Shares Series I. Subject to prior approval of the AMF, iA Insurance may redeem these Preferred Shares, in whole or in part, on March 31, 2023 and on March 31 of every fifth year thereafter. The Preferred Shares were issued under a prospectus supplement dated February 28, 2018 to the short form base shelf prospectus dated June 22, 2017.

Strategic Initiatives

- The Corporation believes that technology will change the way in which financial products and services will be sold in the future. In this regard, the Corporation adapts its practices to make it easier for clients and distributors to do business with it.
- The Corporation continued to develop many digital initiatives in all business lines, which aim in particular to simplify its sale processes and its products.
- The Corporation's ability to generate business growth is largely attributable to the strength and diversification of its distribution networks, the excellent performance of its digital tools, the wide range of products offered as well as its strategic acquisitions.
- The Corporation will continue to launch projects in connection with client and employee experiences.
- The Corporation will continue to implement sustainable development projects and initiatives.

The following table shows the Corporation and its subsidiaries' business growth in the past three fiscal years:

	Business Growth ⁽¹⁾			
	2020	2019	2018	Variation% (2020-2019)
In millions of dollars, unless otherwise indicated				
Net premiums, premium equivalents and deposits				
Net premiums				
General fund	5,741.9	5,228.5	4,520.9	10%
Segregated funds	5,311.4	3,715.5	3,328.4	43%
Total	11,053.3	8,944.0	7,849.3	24%
Deposits – Mutual funds	2,502.0	2,063.7	2,137.9	21%
Other deposits and premium equivalents ⁽²⁾	354.4	353.8	352.9	0%
Total	13,909.7	11,361.5	10,340.1	22%
Assets under management / under administration				
Assets under management				
General fund	50,652.9	44,503.1	39,759.5	14%
Segregated funds	32,815.5	27,867.9	23,780.6	18%
Mutual funds	11,393.1	11,594.2	10,832.8	(2%)
Other	3,797.3	15,500.1	14,721.1	(76%)
Subtotal	98,658.8	99,465.3	89,094.0	(1%)
Assets under administration	95,830.1	89,245.8	79,677.5	7%
Total	194,488.9	188,711.1	168,771.5	3%
Individual Insurance (Canada)				
Sales	223.2	187.5	190.8	19%
Net premiums	1,624.8	1,586.5	1,554.4	2%
Individual Wealth Management				
Sales				
General fund	836.1	545.8	400.6	53%
Segregated funds	3,079.6	2,365.5	1,987.9	30%
Mutual funds	2,502.0	2,063.7	2,137.9	21%
Total	6,417.7	4,975.0	4,526.4	29%

Business Growth⁽¹⁾

	2020	2019	2018	Variation% (2020-2019)
Net investment fund sales				
Segregated funds	1,763.9	662.8	422.3	166%
Mutual funds	243.5	(407.6)	(157.6)	n.m.
Total	2,007.4	255.2	264.7	687%
Funds under management				
General fund	2,121.7	1,807.5	1,531.9	17%
Segregated funds	19,240.2	16,391.9	13,993.5	17%
Mutual funds	11,393.1	11,594.2	10,832.8	(2%)
Other	995.3	4,509.0	4,173.6	(78%)
Total	33,750.3	34,302.6	30,531.8	(2%)
Group Insurance				
Sales				
Employee Plans	136.2	49.1	92.5	177%
Dealer Services				
Creditor Insurance	260.7	328.7	374.2	(21%)
P&C	194.6	253.4	242.2	(23%)
Car loans	440.4	438.2	346.5	1%
Special Markets	205.4	273.9	255.6	(25%)
Total	1,237.3	1,343.3	1,311.0	(8%)
Premiums and premium equivalents	1,715.0	1,788.2	1,789.1	(4%)
Group Savings and Retirement				
Sales				
Accumulation contracts	2,337.5	1,400.0	1,401.4	67%
Insured annuities	707.4	627.6	218.4	13%
Deposits	38.0	46.0	47.1	(17%)
Total	3,082.9	2,073.6	1,666.9	49%
Funds under management				
Accumulation contracts	14,226.4	12,573.5	10,868.6	13%
Insured annuities	4,758.4	3,929.2	3,246.1	21%
Total	18,984.8	16,502.7	14,114.7	15%
U.S. business⁽³⁾				
Sales (\$CAN)				
Individual Insurance	170.5	131.6	105.2	30%
Dealer Services	733.7	596.0	485.9	23%

n. m.: not material

(1) The Corporation measures business growth by using the concepts of “premiums” (general fund and segregated funds), “deposits” (mutual funds), “premium equivalents”, “assets” (under management and under administration) and “sales”. Sales and net sales are Non-IFRS financial measures. They are defined as fund entries on new business written during the period and they measure the Corporation’s ability to generate new business. Sales are defined as follows for each activity sector: Individual Insurance: first-year annualized premiums; Individual Wealth Management: net premiums for the general fund and segregated funds and deposits for mutual funds; Group Insurance – Employee Plans: first-year annualized premiums, including premium equivalents (Administrative Services Only) contracts; Group Insurance – Dealer Services: premiums before reinsurance and cancellations for creditor insurance and direct written premiums (before reinsurance) for P&C Insurance; Group Insurance – Special Markets: premiums before reinsurance; Group Savings and Retirement: gross premiums (before reinsurance) and premium equivalents, or deposits.

(2) Amounts paid in connection with investment contracts and administrative service contracts.

(3) Since the first quarter of 2018, the Corporation has reported U.S. Business as a separate business line.

Expected Developments

In 2021, the Corporation expects to continue diversifying its distribution networks, its geographic presence and the market segments in which it operates. The Corporation will seek to leverage synergies between the parent company, its business lines and the other companies of the group to maximize sales, among other things and will focus its efforts on integrating the recent acquisitions completed in 2020. Note that the Corporation will also remain alert to business opportunities, including potential strategic acquisitions.

Description of the Business

General Description

iA Insurance operates in five main sectors: Individual Insurance and Individual Wealth Management that address the needs of retail customers; Group Insurance and Group Savings and Retirement, that address the needs of businesses and group clients. The fifth sector is the U.S. Business sector.

In terms of profitability, in 2020, iA Insurance ended the year with net income attributable to holders of Common Shares of \$638.1 million.

In terms of business growth, 12% of the Corporation's premiums, premium equivalents and deposits in 2020 came from Canadian Individual Insurance, 46% from Individual Wealth Management, 12% from Group Insurance, 22% from Group Savings and Retirement, 2% from general insurance operations and 5% from U.S. Business.

By region, 3% of premiums, premium equivalents and deposits in 2020 came from the Atlantic Provinces, 40% from Quebec, 30% from Ontario, 22% from the Western provinces and 5% from the United States.

For a more detailed description of iA Insurance and its business lines, refer to the *Management's Discussion and Analysis* for the year 2020, including the description of the Corporation beginning on page 1 and the various relevant sections on pages 5 and 6, which present each of the business lines.

Specialized Skills and Knowledge

To ensure its development, iA Insurance needs employees with a range of skills, including in information technology, sales, actuarial sciences, accounting, investing, law and communications. In light of its growth, the Corporation is facing a shortage of qualified resources, like many employers. That is why the Corporation is constantly striving to improve its internal efficiency, promote high employee retention and attract new employees through its recruitment programs, both inside and outside Canada.

Trends

Competitive Environment

The insurance and wealth management markets are very competitive. In the last few years, the environment in which the Corporation operates has been marked by a number of phenomena:

- a movement of consolidation, as several large insurers have merged their operations or acquired other companies. More recently, this movement has become more pronounced among wealth management firms;
- the maturity of the individual life insurance market in Canada, especially due to the aging of the population, low population growth and the stagnation in the number of insurance representatives;
- the adjustment of the wealth management market to the the aging population's needs;
- low interest rates which led many companies (including iA Insurance) to increase prices on individual life insurance products with long-term guarantees and forcing many to revise their product offering;

- the continued development of digital technologies among institutions; and
- preparatory work to integrate accounting standard IFRS 17.

In Canada, even though the insurance market is made up of many life insurance companies, the ten largest control close to 93% of the individual insurance market, approximately 92% of the group insurance market (employee plans) and about 99% of the group savings and retirement market. iA Insurance is among the ten largest insurers in all these operating sectors.

In the individual wealth management market, iA Insurance's competitors include life and health insurance companies, banks, mutual fund management companies, securities brokers and other providers. The Corporation's recent results for the individual wealth management sector are positive. The Corporation has ranked first in Canada for net sales of segregated funds since 2016. In 2019, it once again strengthened its leading position in this area by adding five new segregated funds to its offering and merged certain funds to better address current market trends.

Competition in the life and health insurance industry is often waged on product development, product pricing, representative compensation and the general ability of companies to grow their distribution networks and properly train their representatives. The Corporation has maintained a healthy balance between its profitability objectives and good sales growth, thanks to frequent targeted rate adjustments.

iA Insurance's business model is built on its ability to generate steady organic growth through the diversification of its distribution networks, its geographic presence, its extensive product offering and its market segments. The business model also rests on its ability to generate growth through strategic acquisitions.

To sustain its successful track record, the Corporation employs a variety of growth strategies:

- In the Individual Insurance and Individual Wealth Management sectors, it competes head-on with all industry players in all markets and geographic regions in Canada. Its key competitive advantage is the ability to build strong distribution networks for its products and services;
- In Group Insurance Employee Plans, Group Savings and Retirement and through iA Auto and Home Insurance, the Corporation competes selectively by market and region where it can leverage corporate relationships and synergies;
- In Group Insurance Dealer Services and Special Markets, the Corporation operates in niche markets where it has fewer competitors and it holds a leading market position;
- Finally, iA Insurance favours underserved markets where there are a limited number of players.

For information about the key long-term profitability drivers for each of the Corporation's business lines, refer to the *Management's Discussion and Analysis* for the year 2020.

Recent Developments in the Economic and Financial Environment

In addition to competition, the Corporation must also deal with economic and financial market forces.

Although the COVID-19 pandemic that has been raging since the beginning of 2020 caused great volatility in the financial markets, they nevertheless reached new highs at the end of the year. The massive and coordinated intervention of governments and central banks allowed for a rapid rebound in the markets. The Corporation's strong financial position as of December 31, 2020, and its risk management program are mitigating the impact of the pandemic in order to continue to ensure the financial wellbeing of its clients.

Despite the pandemic, the macroeconomic environment was generally favorable in 2020. Equity markets were up, with the S&P/TSX Index in Canada returning 6%, the S&P 500 Index in Canadian dollars 16% and the MSCI World Index 17%.

For more information regarding the impact of economic and financial developments in 2020 on the Corporation's profitability, please refer to the "Profitability" section on pages 8 to 10 of *the 2020 Management's Discussion and Analysis*. For more information on the risk of equity market downturns and the measures taken by the Corporation in 2020 to mitigate this risk, refer to the "Risk Management" section on pages 21 to 30 of the *Management's Discussion and Analysis* for the year 2020.

Governing Legislation

iA Insurance is governed by the Act and the Private Bill. It operates under the authority of the AMF pursuant to powers delegated by the *Insurers Act*. The business of iA Insurance outside Canada is subject to the requirements of local regulatory authorities. The companies of the group are licensed by the appropriate federal, provincial and state authorities to carry on business in all provinces and territories of Canada, in the 50 U.S. states, the District of Columbia and seven territories of the United States and the United Kingdom. As a result, they are also subject to the regulation and supervision of the provinces and territories of Canada, the states and territories of the United States and the territories of the United Kingdom in which they carry on business. The regulatory and supervisory powers to which these companies are subject relate, among other things, to: the licensing of insurers and their agents; the nature of, limitations on and valuation of investments; solvency standards; annual audit of the activities of insurance companies; annual and other reports required to be filed on the financial condition of insurers; and requirements regarding reserves for actuarial liabilities, unearned premiums and losses.

The Corporation is a reporting issuer under the different securities laws in force in the provinces of Canada and has proceeded with issues of Common Shares, Preferred Shares and debt securities. As previously mentioned, since January 1, 2019, all Common Shares of the Corporation are held by iA Financial Corporation, the parent company of the group. However, iA Insurance Preferred Shares and debentures issued and outstanding as at January 1, 2019 remained issued by iA Insurance and were guaranteed by iA Financial Corporation in accordance with the terms of the arrangement.

Applicable laws stipulate that the Corporation's financial statements must be prepared in accordance with IFRS, in particular the provisions specific to life insurance companies. The Corporation has implemented the necessary measures to ensure its compliance with the requirements of the applicable legislation and, to the knowledge of management, currently complies with all applicable legal requirements.

The *Insurers Act* provides that capital adequacy standards for life insurance companies are determined by regulation. The regulation provides for a life insurer's capital adequacy requirement to be determined by applying factors for certain risk components to specific on and off balance sheet assets and liabilities and by adding the results. The regulatory authorities have issued guidelines on the required capital in order to comply with the requirements. These guidelines define the methodology to be used in determining the elements comprising the solvency ratio, including available capital, certain provisions included in actuarial provisions and the base solvency buffer.

The *Insurers Act* also provides for certain restrictions with respect to the dividends paid to shareholders and operations on equity. Hence, no insurer may declare dividends or pay interest, as the case may be, or distribute annual surpluses if a payment made for one or the other has the effect of rendering its liquid assets or capital insufficient to ensure sound and prudent management. When deemed appropriate, the AMF may give written instructions to an insurer concerning the adequacy of its liquid assets.

The *Insurers Act* further provides that insurers must exercise their investment powers with prudence and care in accordance with any regulation and must adhere to sound and prudent investment management practices. Additional requirements (and, in certain cases, the obligation to obtain regulatory approvals) also limit certain investments.

The 1999 Private Bill, as amended by the 2018 Private Bill, prohibits any person and his/her affiliates from acquiring, either directly or indirectly, voting shares of iA Financial Corporation if the acquisition results in the person and his/her affiliates holding 10% or more of the voting rights attached to the shares. As such, the Private Bill further provides that in the event that an acquisition is made in contravention of the foregoing, an individual on behalf of whom the shares are acquired cannot exercise the voting rights attached to the aggregate of his/her shares for as long as they are in contravention of this provision. In addition, under the Private Bill, iA Financial Corporation must directly or indirectly hold 100% of the Common Shares of iA Insurance. The *Insurers Act* provides that anyone who intends to become the holder of a significant interest in the insurer's decisions must notify the AMF thereof. If the holder of a significant interest has not obtained the approval of the Minister of Finance, the AMF may order that the voting rights held by such holder who did not obtain the approval of the Minister of Finance be exercised by an administrator of the property of others appointed by the AMF.

Intellectual Property and Product Development

In general, the Corporation and its subsidiaries take the necessary measures to protect the intellectual property of their product names and their trademarks and they devote large sums to develop new products that are better suited to meet client demand. It should be noted, however, that in the markets in which the Corporation and its subsidiaries operate, the competitive advantage associated to the development of new products generally does not constitute a strategic competitive advantage, since most products can be copied by competitors relatively quickly and easily.

Cyclical Business

The operations of certain sectors may fluctuate according to somewhat cyclical factors. Hence, given the contribution deadline for registered retirement savings plans (“RRSPs”), first quarter premiums and deposits are generally higher in the Individual Wealth Management sector. In the Individual Insurance sector, the level of sales is occasionally lower at the beginning of the year, due to the emphasis placed on RRSPs, as well as during the summer, due to summer vacations. Sales in the Group sectors are subject to sometimes significant variations from one quarter to another due to the size of certain new clients. Moreover, for the Group Insurance Employee Plans division, sales can occasionally be higher at the beginning of the year, since several contracts obtained the previous year take effect at the beginning of the year. In the Dealer Services division, sales tend to be higher in the second and third quarters. Insurance products in this division are marketed mainly through car dealers, therefore the distribution of sales during the year is, to a certain extent, related to the seasonal nature of car sales.

Employees

As at December 31, 2020, the Corporation and its subsidiaries had 7,700 employees, including some temporary positions.

Commitment to 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, which is now done

Carbon neutral corporation 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 – seeks to give individuals the means to live healthy lives and promote wellbeing for all at all ages;
- Decent work and economic growth – seeks to promote inclusive and sustainable economic growth, employment and decent work for all;

- Reduce inequalities within and among countries – seeks to reduce inequality within and among countries;
- Sustainable cities and communities – seeks to make cities inclusive, safe, resilient and sustainable;
- Climate Action – seeks 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.

Sustainable Development Report

For all of the Corporation's initiatives and achievements, refer to the *Sustainability Report*, on our web site at ia.ca (in the "About iA" section, under the Sustainable development tab).

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:

- Achieve increased 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.

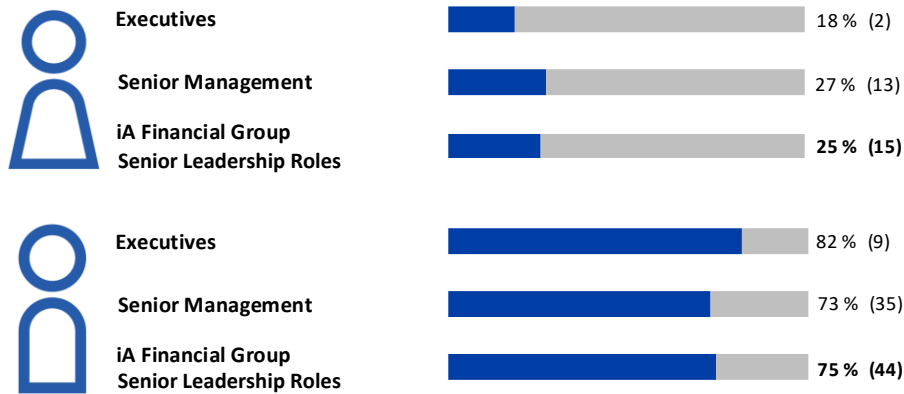
At the same time, we are also implementing improvements in our recruitment practices to ensure a more inclusive hiring and promotion process.

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.

Risk Factors

For information on risk factors for iA Insurance and its operations, refer to the “Risk Management” section on pages 21 to 30 of the *Management’s Discussion and Analysis*, and to the Consolidated Financial Statements’ Note 7 on Management of Risks Associated with Financial Instruments, on pages 35 to 43, note 13 on Management of Insurance Risk, on page 50 and Note 14 on Insurance Contract Liabilities and Investment Contract Liabilities on pages 51 to 57 of the Consolidated Financial Statements. An update on the risks related to the COVID-19 pandemic is also available in the *Management’s Discussion and Analysis*, “Risk Management” on page 30.

Reorganizations

Please refer to the “General Development of the Business” section of this Annual Information Form for a description of key corporate reorganizations.

Capital Structure

General Description

The authorized capital of iA Insurance consists of:

1. an unlimited number of Common Shares without par value;
2. 10,000,000 Preferred Shares with par value of \$25 per share, issuable in series; and
3. an unlimited number of Class A Preferred Shares without par value, issuable in series.

As at December 31, 2020, 108,575,222 Common Shares, 5,000,000 Class A Preferred Shares Series B, 10,000,000 Class A Preferred Shares Series G and 6,000,000 Class A Preferred Shares Series I, were issued and outstanding.

Common Shares

Each Common Share entitles the holder to one vote at all meetings of shareholders (except for meetings exclusively of another class or series of shareholders). Subject to the prior rights of the holders of Class A Preferred Shares, the Preferred Shares and any other shares ranking senior to the Common Shares with respect to payment of dividends, the holders of Common Shares are entitled to receive dividends when declared by the Board of Directors of iA Insurance. Also, subject to the prior rights of the holders of Class A Preferred Shares, the Preferred Shares and any other shares ranking senior to the Common Shares with respect to the distribution of assets in the event of the liquidation or dissolution of the Corporation, the holders of the Common Shares will be entitled to receive the remaining assets of the Corporation that pertain to the shareholders in equal amounts per Common Share without preference or priority of one of the Common Shares over another.

Pursuant to the implementation of the plan of arrangement hereabove mentioned, since January 1, 2019, iA Financial Corporation holds all the Common Shares of iA Insurance and, subject to the policyholders' right to elect at least a third of the members of the Board of Directors, iA Financial Corporation is the sole common shareholder entitled to vote at iA Insurance's annual shareholders' meetings.

Preferred Shares

The Preferred Shares may be issued in one or more series with such rights and restrictions established by the Board of Directors. The rights or restrictions attached to a series of Preferred Shares do not confer on the series any priority in respect of the payment of dividends or the return of capital over any other series of Preferred Shares. With respect to the priority in the payment of dividends and in the distribution of the assets in the event of the liquidation or dissolution of the Corporation, or any other distribution of the assets of the Corporation among its participating policyholders and shareholders for the specific purpose of winding up the Corporation's affairs, the Preferred Shares: (a) rank equally with Class A Preferred Shares; and (b) are entitled to a preference over the Common Shares and any other shares ranking junior to the Preferred Shares. The holders of any series of Preferred Shares are entitled to receive notice of any special meetings held by the Corporation, but are not entitled to attend or to vote at such meetings.

Series 1

Series 1 Preferred Shares entitle holders to receive non-cumulative preferential dividends, when declared by the Board of Directors of iA Insurance, in an amount that varies according to the time that has lapsed since the shares were issued and according to the Canada bond yield and the prime rate with a minimum of 1% of the issue price of such shares annually. The Series 1 Preferred Shares are redeemable at the Corporation's option, but on certain conditions, including the authorization of the AMF, at a price equal to \$25 per share, and are convertible at the holder's option into Common Shares at a price

equal to 95% of the market value of said Common Shares. This conversion option may in turn give rise, at the Corporation's option, to a conversion of Series 1 Preferred Shares into Series 2 Preferred Shares.

Series 2

Series 2 Preferred Shares entitle holders to receive non-cumulative preferential dividends, when declared by the Board of Directors of iA Insurance, in an amount that varies according to the time that has lapsed since the shares were issued and according to the Canada bond yield and the prime rate with a minimum of 1% of the issue price of such shares annually. Series 2 Preferred Shares may only be issued for purposes of conversion of Series 1 Preferred Shares. They are redeemable at the Corporation's option at the issue price plus a premium of 5.26% on certain conditions, including the requirement to proceed with an issue of Series 3 Preferred Shares.

Series 3

Series 3 Preferred Shares do not entitle holders to receive dividends. Series 3 Preferred Shares are redeemable at the Corporation's option after five years, subject to certain conditions, including the prior authorization of the AMF, at a price equal to \$25 per share, and are convertible, at the holder's option, into Common Shares at the market value of the said Common Shares.

Class A Preferred Shares

Class A Preferred Shares may be issued in one or more series with such rights and restrictions established by the Board of Directors. Rights or restrictions attached to a series of Class A Preferred Shares do not confer on the series any priority in respect of the payment of dividends or the return of capital over any other series of Class A Preferred Shares. With respect to priority in the payment of dividends and in the distribution of the assets in the event of the liquidation or dissolution of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its participating policyholders and shareholders for the specific purpose of winding up its affairs, Class A Preferred Shares: (a) rank equally with the Preferred Shares; and (b) are entitled to a preference over the Common Shares and any other shares ranking junior to Class A Preferred Shares. Except as required by law or as specified in the rights and restrictions attached from time to time to any series of Class A Preferred Shares, the holders of any series of Class A Preferred Shares are not entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders or participating policyholders of the Corporation.

Series A

The non-cumulative dividend Class A Preferred Shares Series A do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive non-cumulative semi-annual cash dividends of \$0.5625 per share, when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series A are redeemable at the Corporation's option after December 31, 2008, for an amount of \$25 per share, subject to the prior approval of the AMF.

Series B

The non-cumulative dividend Class A Preferred Shares Series B do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive fixed non-cumulative preferential cash dividends of \$0.2875 per share, payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series B are redeemable by the Corporation on or after March 31, 2011 for an amount ranging between \$26 and \$25 per share depending on the year of redemption and subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them and subject to the approval of the AMF, they are convertible at the holder's option, on notice by the Corporation, into a distinct series of new Class A Preferred Shares, which the Corporation may decide to issue.

Series C

The non-cumulative dividend Class A Preferred Shares Series C do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive fixed non-cumulative preferential cash dividends adjusted every five years, with an initial annual rate of \$1.55 per share, payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series C are redeemable by the Corporation for an amount of \$25 per share on or after December 31, 2013 and on December 31 every five years thereafter, subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them, and subject to certain restrictions, they are convertible at the holders' option into Class A Preferred Shares Series D on or after December 31, 2013, and on December 31 every five years thereafter. On December 31, 2013, all of the issued and outstanding Class A Preferred Shares Series C were redeemed, representing a total par value of \$100 million.

Series D

The non-cumulative dividend Class A Preferred Shares Series D do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive floating rate non-cumulative preferential cash dividends payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series D are redeemable by the Corporation for an amount of \$25 per share on or after December 31, 2018 and on December 31 every five years thereafter, subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them and subject to certain restrictions, they are convertible at the holders' option into Class A Preferred Shares Series C on December 31, 2018, and on December 31 every five years thereafter.

Series E

The non-cumulative dividend Class A Preferred Shares Series E do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive fixed non-cumulative preferential cash dividends at an annual rate of \$1.50 per share, payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series E are redeemable by the Corporation on or after December 31, 2014 for an amount ranging between \$26 and \$25 per share depending on the year of redemption, subject to the prior approval of the AMF. It should be noted that on December 31, 2014, all issued and outstanding Class A Preferred Shares Series E were redeemed, representing a total par value of \$100 million.

Series F

The non-cumulative dividend Class A Preferred Shares Series F do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive fixed non-cumulative preferential cash dividends at an annual rate of \$1.475 per share, payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series F are redeemable by the Corporation on or after March 31, 2015 for an amount ranging between \$26 and \$25 per share depending on the year of redemption, subject to the prior approval of the AMF. It should be noted that on March 31, 2015, all issued and outstanding Class A Preferred Shares Series F were redeemed, representing a total par value of \$100 million.

Series G

The non-cumulative dividend Class A Preferred Shares Series G do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive fixed non-cumulative preferential cash dividends at an annual rate of \$0.94425 per share for a period of five years starting June 30, 2017 and ending on but excluding June 30, 2022, payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series G are redeemable by the Corporation for an amount of \$25 per share on or after June 30, 2017, and on June 30 every five years thereafter, subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them and subject to certain restrictions, they are convertible at the holders' option into Class A Preferred Shares Series H on June 30, 2017, and on June 30 every five years thereafter. It should be noted that on June 30, 2017, no Class A Preferred Shares Series G were redeemed and none of them were converted into Class A Preferred Shares Series H.

Series H

The non-cumulative dividend Class A Preferred Shares Series H do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive floating rate non-cumulative preferential cash dividends payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series H are redeemable by the Corporation for an amount of \$25 per share on or after June 30, 2022, and on June 30 every five years thereafter, or are redeemable by the Corporation on any date other than a Class A Preferred Shares Series H conversion date after June 30, 2017 for an amount of \$25.50 per share, subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them and subject to certain restrictions, they are convertible at the holders' option into Class A Preferred Shares Series G on June 30, 2022, and on June 30 every five years thereafter.

Series I

The non-cumulative dividend Class A Preferred Shares Series I do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive fixed non-cumulative preferential cash dividends at an annual rate of \$1.20 per share for a period of five years as of March 7, 2018 and ending on March 31, 2023, excluding this date, payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series I are redeemable by the Corporation for an amount of \$25 per share on or after March 31, 2023 and on March 31 every five years thereafter, subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them and subject to certain restrictions, they are convertible at the holders' option into Class A Preferred Shares Series J on March 31, 2023 and on March 31 every five years thereafter.

Series J

The non-cumulative dividend Class A Preferred Shares Series J do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive floating rate non-cumulative preferential cash dividends payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series J are redeemable by the Corporation for an amount of \$25 per share on or after March 31, 2028 and March 31 every five years thereafter, or are redeemable by the Corporation on any other date other than a Class A Preferred Shares Series J conversion date, after March 31, 2028, for an amount of \$25.50 per share, subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them and subject to certain restrictions, they are convertible at the holders' option into Class A Preferred Shares Series I on March 31, 2028 and March 31 every five years thereafter.

Series YY

Class A Preferred Shares Series YY do not carry any voting rights and entitle the holders to receive non-cumulative semi-annual preferential cash dividends of \$0.450 per share, when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series YY are redeemable at the Corporation's option, after December 31, 2008, for an amount of \$25 per share, payable in cash or by delivery of Common Shares, subject to the prior approval of the AMF. Subject to the Corporation's right to purchase them and subject to certain restrictions, they are also convertible into Common Shares at the shareholders' option on each conversion date, being the last day of June and December in each year on or after June 30, 2014.

Series ZZ

Class A Preferred Shares Series ZZ do not carry any voting rights and entitle holders to receive non-cumulative semi-annual preferential cash dividends of \$0.5625 per share, when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series ZZ are redeemable at the Corporation's option, after December 31, 2008, for an amount of \$25 per share payable in cash or by delivery of Common Shares, subject to the prior approval of the AMF. Subject to the Corporation's right to purchase them and subject to certain restrictions, they are also convertible into Common Shares at the shareholders' option on each conversion date, being the last day of June and December in each year on or after June 30, 2014.

Constraints

Constraints on Voting Shares Under the *Insurers Act* and the Private Bill

For the constraints on voting shares pursuant to the *Insurers Act* and the Private Bill, consult the "Governing Legislation" section of this Annual Information Form.

For information on the debentures and the share capital, refer to *Management's Discussion and Analysis*, "Financial Position" section on pages 11 to 15, and on pages 58 to 60 of iA Insurance's Consolidated Financial Statements (notes 16 and 17).

Insurers Act Restrictions and Approvals

The Corporation may not declare nor pay a dividend, nor redeem or purchase its shares if there are reasonable grounds for believing that it would be in contravention of the *Insurers Act* or a regulation or guideline made under it concerning the maintenance by life insurance companies of an adequate capital base and such liquid assets as are adequate to ensure sound and prudent management. The redemption or the purchase by the Corporation of its shares requires the prior consent of the AMF. The Corporation may also not move forward with either of these transactions if there are reasonable grounds for believing that it would be in contravention with the written instructions that have been given to the Corporation by the AMF pursuant to the provisions of the *Insurers Act* respecting its capital and its liquid assets. As of the date of this Annual Information Form, no such instructions have been given to the Corporation by the AMF.

Credit Ratings

Class A Preferred Shares and the subordinated debentures of the Corporation are rated by independent rating agencies. These ratings confirm the Corporation's financial strength and its ability to respect its obligations to policyholders and creditors. Please note that the ratings granted by the rating agencies are not recommendations to buy, sell or hold the Corporation's different securities. The rating agencies can revise or withdraw the ratings granted to the Corporation at any time. The rating agencies act independently from the Corporation.

The following table lists the ratings attributed to the Corporation and its parent company, iA Financial Corporation, as at December 31, 2020. S&P Global Ratings and A.M. Best ratings were all affirmed in 2020 with a stable outlook. On the other hand, DBRS Morningstar placed the key credit ratings of iA Financial Corporation, and iA Insurance under review with positive implications, citing their significant efforts to improve their risk profile, in particular their sensitivity to interest rates and equity markets.

Rating Agency	Type of evaluation	Rating
iA Financial Corporation Inc.		
S&P Global Ratings	Issuer Credit Rating	A
	Subordinated debentures	A-
DBRS Morningstar	Issuer Credit Rating	A (low)
	Subordinated debentures	BBB (high)
Industrial Alliance Insurance and Financial Services Inc.		
S&P Global Ratings	Issuer Credit Rating	AA-
	Financial Strength Rating	AA-
	Subordinated debentures	A+
	Preferred Shares – Canadian Scale	P-1 (Low)
	Preferred Shares – Global Scale	A
DBRS Morningstar	Financial Strength	A (high)
	Issuer Credit Rating	A (high)
	Subordinated debentures	A
	Preferred Shares	Pfd-2 (high)
A.M. Best	Financial Strength	A+ (Superior)
	Issuer Credit Rating	aa-
	Subordinated debentures	a
	Preferred Shares	a-

On March 9, 2021, DBRS Morningstar reviewed and upgraded its ratings for iA Financial Corporation and iA Insurance. The following table provides the ratings for iA Financial Corporation and iA Insurance as a result of this review.

Rating Agency	Type of evaluation	Ratings as at December 31, 2020	Ratings as of March 9, 2020
iA Financial Corporation Inc.			
DBRS	Issuer Credit Rating	A (low)	A
Morningstar	Subordinated debentures	BBB (high)	A (low)
Industrial Alliance Insurance and Financial Services Inc.			
DBRS	Preferred Shares – Global Scale	A	AA (low)
Morningstar	Financial Strength	A (high)	AA (low)
	Issuer Credit Rating	A (high)	A (high)
	Subordinated debentures	A	Pfd-1 (low)
	Preferred Shares	Pfd-2 (high)	AA (low)

Payments are made by the Corporation to these rating agencies in connection with regular rating work and also when ratings are requested by the Corporation for the issue of certain financial instruments. In addition, as part of the plan of arrangement, for the establishment of the holding company, iA Insurance paid fees to certain rating agencies, including to DBRS Morningstar and to S&P Global Ratings, for the analysis services they provided.

S&P Global Ratings (“S&P”)

On July 22, 2019, the Standard & Poor’s rating agency raised the Issuer Credit Rating of iA Financial Corporation from A- to A, and the Issuer Credit and Financial Strength Ratings of iA Insurance from A+ to AA-, citing operational performance, consistent profitability in various business lines and solid risk management. The financial strength rating reflects S&P’s opinion on an insurer’s capacity to meet its financial commitments to its policyholders in accordance with the terms of the contracts.

The A rating assigned to iA Financial Corporation indicates that the non-operating holding company has strong financial security characteristics, even though it is more likely to be affected by an unfavourable business environment than companies with a higher rating. The A rating corresponds to the sixth highest rating of a total of twenty-two (22) rankings divided into ten categories.

The AA- rating assigned to iA Insurance indicates that it has strong financial security characteristics. The AA- rating corresponds to the fourth highest rating of a total of twenty-two (22) rankings divided into ten categories.

The A- rating assigned to iA Financial Corporation indicates that the non-operating holding company has strong financial security characterization, even though it is more likely to be affected by an unfavourable business environment than companies with a higher rating. The A- rating corresponds to the seventh highest rating of a total of twenty-two (22) rankings divided into ten categories.

The S&P financial strength categories range from AAA to R. S&P adds a plus (+) or minus (-) sign to its categories between AA and CCC to show the relative standing of the securities within a major rating category. Insurers whose financial strength rating is BBB or higher are part of the group whose rating is “secure”, while those rated BB or lower are part of the group whose rating is “vulnerable”.

The Issuer Credit Rating reflects S&P’s opinion on the overall creditworthiness of an issuer. The AA- rating assigned to iA Insurance indicates that the Corporation has a strong capacity to meet its financial commitments. The AA- rating is the fourth highest rating of a total of twenty-two (22) rankings divided into ten categories. The A rating assigned to iA Financial Corporation corresponds to the sixth highest rating. S&P Issuer Credit Rating categories range from AAA to CC. S&P adds a plus (+) or minus (-) sign to its categories between AA and CCC to show the relative standing of the securities within a major rating category.

S&P's long-term debt rating scale is based on the likelihood of payment, the obligor's capacity and willingness to meet its financial commitment on a debt in accordance with the terms of the debt, as well as the protection afforded by, and relative position of, the debt in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights. The ratings reflect the level of default of payment risk.

iA Financial Corporation's subordinated debentures have been assigned an A- rating, the seventh highest rating of the twenty-two (22) rankings in the scale. iA Insurance's subordinated debentures received an A+ rating, the fifth highest rating of the twenty-two (22) rankings in the scale. The A- rating indicates that iA Financial Corporation has a strong capacity to meet its financial commitments with respect to the debentures.

S&P has a Canadian scale and a global scale for certain securities. The S&P Canadian scale is a current comparison of the creditworthiness of an obligor with respect to a specific security issued in the Canadian market, relative to securities issued by other issuers in the Canadian market. A "High" or "Low" designation reflects the relative position within a rating category.

The iA Insurance Preferred Shares have obtained an A- rating on the global scale, which is the sixth highest rating of a total of twenty (20) rankings. This rating indicates that the iA Insurance Preferred Shares are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than other similar securities in higher categories. The A- rating does however indicate that iA Insurance has a strong capacity to meet its commitments with respect to its Preferred Shares. The iA Insurance Preferred Shares have received a P-1 (Low) rating according to the Canadian scale, which is the third highest of a total of eighteen (18) rankings.

In its rating system, S&P adds an outlook to the Financial Strength and Issuer Credit Rating. These outlooks remain "stable". They indicate the possible direction of these ratings in the medium or long term based on changes in the economic environment and/or the corporate position. The outlook can be "Positive" (meaning that the rating may be raised), "Stable" (meaning that the rating is not likely to change), "Negative" (meaning that rating may be lowered), or "Developing" (meaning that the rating may be raised or lowered).

DBRS Morningstar ("DBRS") – Ratings as at December 31, 2020

The Financial Strength Rating represents an opinion by DBRS as to an insurance company's capacity to meet its financial obligations with respect to its issued insurance policies. This rating is based on an evaluation of the various building blocks of the insurer, including franchise strength, risk profile, earnings ability, liquidity, capitalization and asset quality. DBRS has assigned iA Insurance a financial strength rating of A (high) with a stable outlook.

This rating corresponds to the fifth highest rating of a total of twenty-two (22) rankings from AAA to R. For categories from AA to CCC, DBRS may add a "high" or "low" designation to indicate the relative position within a rating category, whereas the absence of such a designation indicates the rating is in the middle of the category. Insurers that are rated A have a substantial capacity for the payment of policyholder and contract obligations. Such insurers may be vulnerable to adverse business and economic conditions, but qualifying negative factors are considered manageable.

The DBRS long-term debt rating scale is meant to give an indication of the risk that a borrower cannot fulfil its full obligations in a timely manner, with respect to both principal and interest commitments.

Regarding the Credit Issuer Rating, DBRS assigned an A (low) rating to iA Financial Corporation and an A (high) rating to iA Insurance.

iA Financial Corporation's Financial Strength Rating is two notches below the Financial Strength Rating of its major operating subsidiary, iA Insurance. Among other factors, the two-notch differential reflects the structural subordination of the holding company's creditors to the operating company's creditors in an insolvency situation and recognizes the reliance of iA Financial Corporation on its operating companies for its earnings. The Financial Strength rating of iA Financial Corporation would be positively affected as a result of an upgrade of iA Insurance's Financial Strength rating. Conversely, the rating of iA Financial Corporation would be negatively affected as a result of a downgrade of iA Insurance's rating. The A (low) rating corresponds to the seventh highest rating of a total of twenty-two (22) rankings from AAA to R.

Furthermore, DBRS has assigned a BBB(high) rating to the iA Financial Corporation subordinated debentures and has assigned an A rating to the iA Insurance subordinated debentures, which is the sixth highest rating on a scale of twenty-six rankings divided into ten categories. The DBRS rating categories for this type of security vary from AAA to D. For categories other than AAA and D, DBRS may add a "high" or "low" designation to indicate the relative position within a rating category, whereas the absence of such a designation indicates the rating is in the middle of the category. The A rating assigned to iA Insurance means that its subordinated debentures have a "satisfactory" credit quality, which is higher than the "adequate" quality of BBB category securities, but lower than the "superior" quality of AA category securities. Protection of interest and capital is still substantial, but the degree of strength is less than with AA-rated entities. While an A rating is

respectable, entities in this category are considered to be more susceptible to an unfavourable economic environment and have more pronounced cyclical tendencies than higher rated companies.

DBRS has assigned a Pfd-2 (high) rating to the iA Insurance Preferred Shares. This is the fourth highest rating of a scale that is made up of sixteen (16) rankings. The DBRS ratings are divided into six categories that vary from Pfd-1 to D. The DBRS preferred share rating scale is used in the Canadian securities market and is meant to give an indication of the risk that a borrower will not fulfil its obligations in full in a timely manner, with respect to both principal and interest commitments. The Pfd-2 rating indicates that the Preferred Shares are of “satisfactory” credit quality. This indicates that protection of dividends and principal is substantial, but earnings, balance sheet, and coverage ratios are not as strong as Pfd-1 rated issuers. The Pfd-2 rating generally corresponds to companies whose senior bonds are rated in the A category. The “high” or “low” designation reflects the relative position within a rating category, whereas the absence of such a designation indicates the rating is in the middle of the category.

The outlook assigned to all ratings granted to iA Insurance by DBRS reflects the opinion of DBRS as to the direction that the rating could take based on the economic conditions and current trends. The outlook can be “Positive”, “Stable” or “Negative”. Currently, the outlook assigned to all ratings granted to iA Insurance by DBRS is “Stable”.

A.M. Best

The Financial Strength Rating represents an opinion by A.M. Best as to an insurance company’s capacity to meet its obligations to its policyholders, who are senior ranking creditors. A rating of B+ and higher is granted to insurers who are part of the “secure” group, whereas a rating of B or lower is assigned to “vulnerable” insurance companies. As at December 31, 2020, the A+ (Superior) rating was assigned to iA Insurance for its financial strength, which means that, in the opinion of A.M. Best, iA Insurance has a robust balance sheet, a solid operating performance and a stable trend in its operating results. Insurers that are rated A+ (Superior) have a superior capacity to meet their commitments to their policyholders. This is the second highest rating out of a total of sixteen (16) rankings. The A.M. Best ratings range from A++ to S.

The A.M. Best Issuer Credit Rating is based on the issuer’s capacity to meet its commitments to its creditors. Ratings of bbb and higher are assigned to issuers of a group designated as Investment Grade, while bb or lower ratings are assigned to Non-Investment Grade issuers. The aa- rating assigned to iA Insurance is the fourth highest of a total of twenty-four (24) rankings and indicates that the issuer has a “very strong” capacity to meet its commitments. The A.M. Best scale contains rankings that range from aaa to s. A positive (+) or negative (-) sign indicates that the credit quality is closer to the top or bottom of the category.

A.M. Best uses a scale that is similar in all respects to the one used for the Issuer Credit Rating to rank long-term debt. The ratings and designations added to the ratings also have the same meanings as those assigned to the Issuer Credit Ratings. The iA Insurance subordinated debentures have obtained an a rating, which is the sixth highest of the twenty-three (23) rankings, while the Preferred Shares have obtained an a- rating, which is the seventh highest ranking out of twenty-three (23).

The descriptions of the ratings above are derived from public information published by each rating agency.

Dividends

The declaration and payment of dividends is the responsibility of the Board of Directors and depends on the financial results of the Corporation, as well as its financial position and other factors that the Board of Directors deems relevant. Dividends on the Preferred Shares are, in accordance with the articles, declared quarterly at meetings of the Board of Directors held in February, May, August and November. Dividends are also paid quarterly. In addition to the quarterly dividend, the Corporation may also declare an additional dividend to its sole common shareholder, subject to capital adequacy requirements.

Preferred Shares

On February 28, 2018, the Corporation issued 6,000,000 Class A Preferred Shares Series I for a total value of \$150 million. These Preferred Shares entitle the holders, when declared by the Board of Directors of iA Insurance, to a fixed non-cumulative quarterly dividend of \$0.30 per Preferred Share. The Corporation paid \$7.2 million in dividends to holders of Class A Preferred Shares Series I in 2020 (\$7.2 million in 2019 and \$5.9 million in 2018).

On June 1, 2012, iA Insurance issued 6,000,000 Class A Preferred Shares Series G for a total value of \$150 million. On June 28, 2012, the Corporation closed the issuance of 4,000,000 Class A Preferred Shares Series G for a total value of \$100 million. These Preferred Shares entitle the holders, when declared by the Board of Directors of iA Insurance, to a non-cumulative quarterly dividend adjusted every five years. The initial dividend annual rate was \$1.0750 per Preferred Share. On June 30, 2017, the annual rate was revised to \$0.94425 per Preferred Share. The Corporation paid \$9.4 million in dividends to holders of Class A Preferred Shares Series G in 2020 (\$9.4 million in 2019 and 2018).

On February 24, 2006, the Corporation issued 5,000,000 Class A Preferred Shares Series B worth a total of \$125 million. These Preferred Shares entitle the holders, when declared by the Board of Directors of iA Insurance, to a fixed non-cumulative quarterly dividend of \$0.2875 per Preferred Share. The Corporation paid \$5.8 million in dividends to holders of Class A Preferred Shares Series B in 2020 (\$5.8 million in 2019 and 2018).

Common Shares

The Corporation paid dividends to its sole common shareholder, iA Financial Corporation, for an amount of \$1.181 billion in 2020 and \$651 million in 2019. In 2018, the Corporation paid \$173.1 million to the common shareholders registered during this period.

Market for Securities of iA Insurance

Trading Price and Volume

The Preferred Shares of iA Insurance being the Class A Preferred Shares Series B, Series G and Series I are traded on the Toronto Stock Exchange respectively under IAF.PR.B, IAF.PR.G and IAF.PR.I.

The Preferred Share price varies more according to changes in interest rates than according to changes in the Corporation's results, given that the share more closely resembles a fixed income security (the dividend paid is determined in advance and the share cannot participate in the Corporation's profits by receiving dividends other than those provided).

The following tables show the monthly minimum and maximum price and total monthly volume of iA Insurance Preferred Shares traded on the Toronto Stock Exchange in 2020. The iA Insurance Class A Preferred Shares Series B (issued on February 24, 2006, at \$25.00 per share) closed the 2020 year at \$24.30 compared to \$22.00 at the end of 2019 and Class A Preferred Shares Series G (issued on June 1 and June 28, 2012, at \$25.00 per share) closed the 2020 year at \$20.65 compared to \$19.55 at the end of 2019. The iA Insurance Class A Preferred Shares Series I (issued on February 28, 2018 at \$25.00 per share) closed the 2020 year at \$21.46 compared to \$19.80 at the end of 2019.

IAF.PR.B (Preferred Shares) Transactions on the Toronto Stock Exchange in 2020

	Maximum price	Minimum price	Volume	Value
	\$	\$	#	\$
January 2020	21.81	22.52	65,269	1,439,161
February 2020	21.71	23.10	26,116	589,848
March 2020	15.00	22.25	51,315	938,627
April 2020	17.50	20.89	46,567	898,391
May 2020	19.58	21.08	32,662	661,884
June 2020	20.51	21.80	130,521	2,810,490
July 2020	21.11	22.10	31,657	680,461
August 2020	21.60	22.56	24,400	538,639
September 2020	21.96	24.27	90,420	2,116,740
October 2020	23.30	24.98	62,029	1,504,427
November 2020	23.45	24.60	38,760	943,070
December 2020	24.14	24.87	141,308	3,485,344
Year 2020	15.00	24.98	741,024	16,607,081

IAF.PR.G (Preferred Shares) Transactions on the Toronto Stock Exchange in 2020

	Minimum price	Maximum price	Volume	Value
	\$	\$	#	\$
January 2020	18.91	19.82	200,320	3,866,655
February 2020	17.98	19.38	75,364	1,440,358
March 2020	10.50	18.14	131,531	1,817,743
April 2020	12.55	15.54	174,242	2,357,469
May 2020	14.51	15.50	188,570	2,819,672
June 2020	15.00	16.44	143,773	2,239,017
July 2020	15.78	18.70	134,784	2,327,064
August 2020	18.04	19.23	56,700	1,046,682
September 2020	17.80	19.29	85,728	1,586,213
October 2020	18.20	19.49	57,197	1,086,769
November 2020	19.04	20.05	93,104	1,817,021
December 2020	19.37	21.04	71,865	1,466,855
Year 2020	10.50	21.04	1,413,178	23,871,519

IAF.PR.I (Preferred Shares) Transactions on the Toronto Stock Exchange in 2020

	Minimum price	Maximum price	Volume	Value
	\$	\$	#	\$
January 2020	19.59	20.56	152,805	3,053,844
February 2020	18.41	20.50	171,986	3,469,352
March 2020	11.28	19.05	173,722	2,476,805
April 2020	13.02	16.19	554,409	8,029,855
May 2020	15.36	16.50	145,421	2,346,552
June 2020	16.20	17.60	295,314	5,051,446
July 2020	17.08	20.39	112,193	2,116,933
August 2020	19.40	19.99	233,317	4,594,715
September 2020	19.50	20.27	85,727	1,075,319
October 2020	19.23	20.21	45,225	895,967
November 2020	19.95	20.40	58,257	1,176,595
December 2020	20.16	21.46	82,213	1,710,414
Year 2020	11.28	21.46	2,110,589	36,627,798

Directors and Executive Officers

Name, Occupation and Security Holdings

As of the date of this Annual Information Form, no director or executive officer of the Corporation (as listed in the following tables) beneficially owned (or had control or direction over), directly or indirectly, any Common Shares of iA Insurance. In fact, since the arrangement came into force, all of the Common Shares of iA Insurance are held by iA Financial Corporation.

Furthermore, as of the date of this Annual Information Form, the directors and executive officers of the Corporation (as listed in the following tables) beneficially owned (or had control or direction over), as a group, directly or indirectly, 150,989 Common Shares of iA Financial Corporation (excluding deferred share units and performance share units), being approximately 0.14% of the issued and outstanding Common Shares.

The following table presents, as of the date of the Annual Information Form, the members of the Board of Directors of iA Insurance. All directors will hold office until the close of the next annual meeting of the sole shareholder of Common Shares and of Participating Policyholders of the Corporation.

Additional Information on the Directors and the Officers

Directors of iA Insurance

Name and place of residence	Duties over the last five years	Director since	Membership on committees of the Board
MARIO ALBERT BA, MA Residence: Quebec, Quebec, Canada	Since 2020: Corporate director 2017 - 2020: Executive Vice President and Responsible for the modernization program in the group insurance sector at La Capitale Civil Service Insurer Inc. 2015 – 2017: General Manager at Finance Montreal	November 2020	
AGATHE CÔTÉ B.Sc. Econ., M. Econ.,ICD.D Residence: Ottawa, Ontario, Canada	Since 2016: Corporate director 2010 – 2016: Deputy Governor of the Bank of Canada	May 2016	— Investment Committee — Audit Committee
BENOIT DAIGNAULT BAA, CFA Residence: Hudson, Québec, Canada	Since 2019: Corporate director 2014 – 2019: President and Chief Executive Officer at Export Development Canada	May 2019	— Investment Committee — Human Resources and Compensation Committee
NICOLAS DARVEAU-GARNEAU B.Math., MBA Residence: Los Gatos, California, United States	Since 2017: Chief Strategist at Google Search (technology services company) 2016 – 2017: Director, Sales and Strategy Research, United States	May 2018	— Human Resources and Compensation Committee

Name and place of residence	Duties over the last five years	Director since	Membership on committees of the Board
EMMA K. GRIFFIN BA (Oxon), MA (Oxon) Residence: Henley on Thames, Oxfordshire, United Kingdom	For more than five years: Corporate director	November 2016	— Investment Committee (Chair) — Human Resources and Compensation Committee
CLAUDE LAMOUREUX BA, B.Comm., FSA, ICD.D, F.ICD Residence: Montreal, Quebec, Canada	For more than five years: Corporate director	May 2010	— Governance and Ethics Committee — Investment Committee
GINETTE MAILLÉ BAA, CPA, CA, ICD.D Residence: Montreal, Quebec, Canada	Since 2017: Vice President, Finance and Administration and Chief Financial Officer at Aéroports de Montréal (not-for-profit corporation responsible for the management, operation and development of Montreal's Pierre Elliott Trudeau International Airport and Montreal-Mirabel International Airport) 2011 – 2017: Senior Vice President and Chief Financial Officer at Yellow Pages Limited	July 2019	— Audit Committee
JACQUES MARTIN B.Comm., LL.B., MBA, IDP-C Residence: Larchmont, New York, United States	For more than five years: Corporate director	January 2011	— Chair of the Board of Directors — Governance and Ethics Committee (Chair) — Human Resources and Compensation Committee
MONIQUE MERCIER LL.B., M.Phil., Ad. E Residence: Outremont, Quebec, Canada	Since 2019: Corporate director 2018 – 2019: Executive Vice President and Chief Governance Officer at TELUS Corporation 2014 – 2018: Executive Vice President, Corporate Affairs, Chief Legal & Governance Officer at TELUS Corporation	May 2019	— Governance and Ethics Committee — Audit Committee
DANIELLE G. MORIN B.Sc., ICD.D Residence: Longueuil, Quebec, Canada	For more than five years: Corporate director	May 2014	— Governance and Ethics Committee — Audit Committee (Chair)
MARC POULIN B.Sc., MBA Residence: Outremont, Quebec, Canada	Since 2016: Corporate director 2012 – 2016: President and Chief Executive Officer of Sobeys Inc. and Empire Company Limited	May 2018	— Human Resources and Compensation Committee (Chair) — Audit Committee
DENIS RICARD B.Sc., FSA, FCIA Residence: Pont-Rouge, Quebec, Canada	Since 2018: President and Chief Executive Officer 2017 – 2018: Chief Operating Officer 2015 – 2017: Executive Vice President, Individual Insurance and Annuities 1985-2017: Various positions within the Corporation	September 2018	
LOUIS TÊTU B.Eng. Residence: Quebec City, Quebec, Canada	Since 2011: President, Chief Executive Officer and member of the Board of Directors of Coveo Solutions Inc. (an artificial intelligence customer experience software company)	May 2016	— Governance and Ethics Committee

The following table presents, as of the date of this Annual Information Form, the executive officers of iA Insurance, all of whom are members of the Executive Committee.

Executive officers of iA Insurance

Name, occupation and place of residence	Duties over the last five years	With the Corporation since
ALAIN BERGERON BAA, M.Sc., CFA, CMT Executive Vice President and Chief Investment Officer Residence: Toronto, Ontario, Canada	— Appointed to current position in 2019 — 2013-2019: Senior Vice President and Portfolio Manager, MacKenzie Investments	September 2019
FRANÇOIS BLAIS B.Sc., FCIA, FCAS Executive Vice President Dealer Services and Special Risks Residence : Quebec City, Quebec, Canada	— Appointed to current position in 2020 — 2019-2020 : President of iA Auto and Home Insurance Inc. and Prysm general insurance inc. — 2018-2019 : Chief Operating Officer, iA Auto and Home Insurance Inc. — 2017-2018 : Vice President, Head of Analytics and Data — 2014-2016: Designated Actuary, iA Auto and Home Insurance Inc.	May 2004
JEAN-FRANÇOIS BOULET BA, Fellow CHRP Executive Vice President, Client & Employee Experience Residence: Montmagny, Quebec, Canada	— Appointed to current position in 2020 — 2017-2020 : Senior Vice President, Client & Employee Experience — 2012-2017: Senior Vice President, Human Resources and Communications	June 2003
ÉRIC JOBIN B.Sc., FSA, FCIA Executive Vice President, Group Benefits and Retirement Solutions Residence : Quebec City, Quebec, Canada	— Appointed to current position in 2020 — 2020 : Senior Vice President, Group Benefits and Retirement Solutions (interim) — 2017-2020 : Vice President, Actuarial and Finance — 2015-2017 : Vice-President, Corporate Actuarial	January 1994
RENÉE LAFLAMME BBA, FCPA, FCA, CFA Executive Vice President Individual Insurance, Savings and Retirement Residence: Quebec City, Quebec, Canada	— Appointed to current position in 2018 — 2015-2018: Executive Vice President, Insurance and Group Savings Solutions	April 1998
PIERRE MIRON B.A.Sc. Executive Vice President, Information Technology and Investment Operations Residence: Quebec City, Quebec, Canada	— Appointed to current position in 2020 — 2018-2020: Executive Vice President, Information Technology — 2010-2018 : Senior Vice President, Chief Operations and IT Officer, Caisse de dépôt et de placement du Québec	September 2018
SEAN O'BRIEN Business Diploma Executive Vice President, Wealth Management Residence: Toronto, Ontario, Canada	— Appointed to current position in 2020 — 2020: Executive Vice President, Dealer Services and Special Risks — 2018-2020: Senior Vice President, iA Dealer Services — 2016: Appointed to the position of President, iA Dealer Services — 2015-2017: Chief Operating Officer, iA Auto Finance Inc.	October 2015
JACQUES POTVIN B.Sc., FSA, FCIA Executive Vice President, Chief Financial Officer and Chief Actuary Residence: Quebec City, Quebec, Canada	— Appointed to current position in 2018 — 2015-2018: Vice President and Chief Risk Officer	June 1990

Name, occupation and place of residence	Duties over the last five years	With the Corporation since
DENIS RICARD B.Sc., FSA, FCIA President and Chief Executive Officer Residence: Pont-Rouge, Quebec, Canada	— Appointed to current position in 2018 — 2017-2018: Chief Operating Officer — 2015-2017: Executive Vice President, Individual Insurance and Annuities	June 1985
LILIA SHAM B.Sc., M.Sc., FSA, FCIA, MAAA Executive Vice President, Corporate Strategy and Development Residence: Toronto, Ontario, Canada	— Appointed to current position in 2020 — 2019-2020: Executive Vice President, Corporate Development — 2018-2019: Professor at York University, Schulich School of Business — 2004-2017: Executive Vice President, Corporate Development, Intact Financial Corporation	May 2019
MICHAEL L. STICKNEY B.Sc., FSA, MBA, MAAA Executive Vice President, Corporate Strategy and Growth Residence: Scottsdale, Arizona, United States	— Appointed to current position in 2019 — 2005-2019: Executive Vice President U.S. Development	November 1987

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, to the knowledge of the directors and the members of management of the Corporation, no director or executive officer of the Corporation:

- a) is, as of the date of this Annual Information Form, or has been, within ten (10) years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any corporation, including the Corporation, that:
 - (i) while the director or executive officer was acting in the capacity of director, chief executive officer or chief financial officer, was the subject of a cease trade or similar order or an order that denied it access to any exemption under securities legislation for a period of more than 30 consecutive days;
 - (ii) was the subject of a cease trade or similar order or an order that denied it access to any exemption under securities legislation for a period of more than 30 consecutive days after the director or executive officer ceased to act in the capacity of director, chief executive officer or chief financial officer and which resulted from an event that occurred while the director or executive officer was acting in the capacity of director, chief executive officer or chief financial officer;
 - (iii) while the director or executive officer was acting in the capacity of director, chief executive officer or chief financial officer, or during the fiscal year after the director or executive officer ceased to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, 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;
- b) has, within ten (10) years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the director's or executive officer's assets;

The only exception to the foregoing is:

- (i) Mr. Claude Lamoureux was a director and Chairman of Orbite Technologies Inc., which, on April 3, 2017, filed a notice of intention to make a proposal under the provisions of the *Bankruptcy and Insolvency Act (Canada)*. Since April 28, 2017, following a court order, the proceedings have continued under the *Companies' Creditors Arrangement Act (Canada)*. The Quebec Superior Court has issued several orders extending the stay of proceedings against Orbite Technologies Inc. The latest order extends the stay until May 31, 2021;
- (ii) 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 the knowledge of the Corporation, no director or executive officer of the Corporation 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.

Audit Committee

Mandate

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 full text of the Audit Committee's Charter is enclosed as Schedule A to this Annual Information Form.

Composition of the Audit Committee



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.

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

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.

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.

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.

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 SportsScene 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)

Engagement of non-audit services

The purpose of the Corporation's *External Auditor Independence Policy* is to ensure the auditor's independence. It provides that any service contract with the external auditor for non-audit services must be approved either by the committee or its chair based on the value of the fees related to those services. The committee or its chair, as the case may be, must take into account the following guiding principles: (i) when the service requested could be useful or could accelerate the audit services provided by the auditor, such as services related to the due diligence in the process of an acquisition, or (ii) when the service requested could require in-depth knowledge of the Corporation, (iii) when the auditor is the bidder having presented the best tender following a call for tenders, or (iv) when only the auditor is able to provide this service.

External Auditor Service Fees

Deloitte LLP (“**Deloitte**”) has been the external auditor of the Corporation since 1940. In 2019 and 2020, the Corporation paid out the following fees to Deloitte:

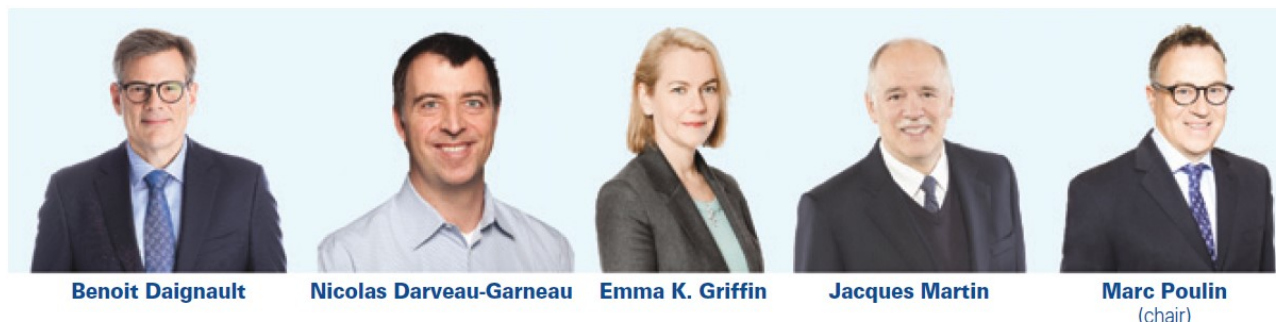
	2020 (thousands of dollars)	2019 (thousands of dollars)
Audit fees	2,605	2,232
These fees were incurred to audit the financial statements of iA Financial Corporation, iA Insurance, and its segregated funds.		
Audit Fees of Subsidiaries	3,393 ⁽¹⁾	2,321
These fees were incurred to audit the financial statements of certain subsidiaries of iA Financial Corporation, with the exception of iA Insurance.		
Total Audit Fees	5,998	4,553
Audit-related fees	252	1,018
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.		
Tax fees	-	-
Other fees (fees for non audit-services)	195	336
These fees were incurred for support services in technology development and information security.		
Total	6,445	5,907

(1) The main variations in audit fees for subsidiaries are due to additional work resulting from the acquisition of new American subsidiaries.

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:



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.

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 Canada Inc. (“**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
Towers Watson Canada Inc.		
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
Hugessen Consulting Inc.		
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, iA Financial Group retained the services of Towers Watson to conduct several analyses to (i) ensure the alignment of compensation at iA Financial Group 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.

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 39 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 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	Element Fleet Management Corp.	TMX Group Ltd.
Laurentian Bank of Canada	Fairfax Financial Holdings Limited	Home Capital Group Inc.
National Bank of Canada	Sun Life Financial Inc.	Intact Financial Corporation
CI Financial Corp.	Genworth MI Canada Inc.	IGM Financial Corporation Inc.
E-L Financial Corporation Limited	Great-West Lifeco Inc.	Manulife Financial Corporation

The analysis showed that the compensation offered to the directors of the 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.

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.

Our compensation structure:

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

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 the 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 (\$) ⁽¹⁾
Board Chair Annual Retainer	220,000	270,000
Directors' Annual Retainer ⁽²⁾	100,000	120,000
Additional Committee Chair Retainer⁽³⁾		
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
Additional Committee Member Retainer⁽⁴⁾		
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 ⁽⁵⁾	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 ⁽⁶⁾	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 iA Financial Corporation's 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 Financial Corporation 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 ⁽¹⁾ Received in Cash	Fees ⁽¹⁾ Received as DSUs	Percentage in DSUs	Total
	\$	\$	%	\$
Mario Albert	15,833	3,167	17	19,000
Agathe Côté	93,625	45,625	33	139,250
Benoit Daignault	22,750	119,750	84	142,500
Nicolas Darveau-Garneau	0	137,540	100	137,540 ⁽²⁾
Emma K. Griffin	53,850	100,150	65	154,000
Claude Lamoureux	78,833	59,167	43	138,000
Ginette Maillé	47,917	77,833	62	125,750
Jacques Martin	250,794	15,915	6	266,709 ⁽³⁾
Monique Mercier	19,271	124,479	87	143,750
Danielle G. Morin	147,000	5,000	3	152,000
Marc Poulin	43,750	110,000	72	153,750
Denis Ricard	0	0	0	0
Louis Têtu	0	123,000	100	123,000
Total	773,623	921,626		1,695,249

(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).

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

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

Decision-making Process

Our decision-making process involves management, the Human Resources and Compensation Committee 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

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

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 iA Financial Group given our growing presence in that country.

The following companies are included in the comparator group:

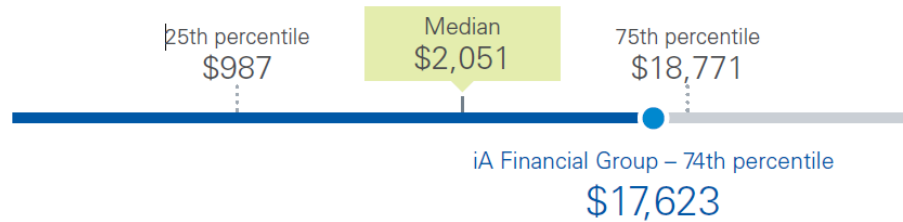
Laurentian Bank of Canada	Sun Life Financial Inc.	Lincoln National Corporation
National Bank of Canada	Genworth MI Canada Inc.	Principal Financial Group Inc.
Canadian Western Bank	Great-West Lifeco Inc.	IGM Financial Corporation Inc.
CI Financial Corp.	TMX Group Limited	Manulife Financial Corporation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

Where do we Stand in Relation to our Comparison Group?

The graph below shows iA Financial Group's rank relative to the comparison group. We compare the 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.

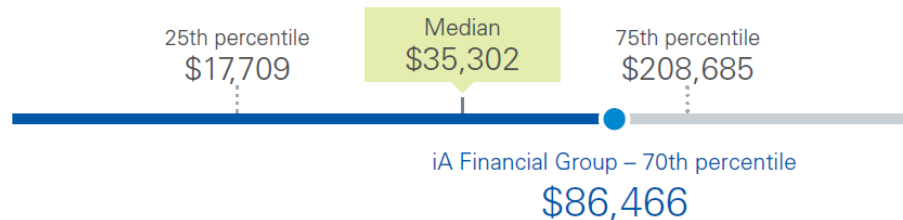
Total Earnings (in millions)

Last 12 months



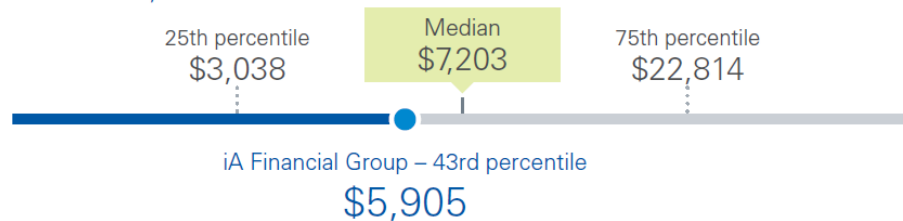
Total Assets (in millions)

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 the 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 the 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
Direct Compensation					
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 IA Financial Group, 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 iA Financial Group results and ensure alignment with the interests of the holders of the iA Financial Corporation's Common Shares
Variable	Mid-Term Incentive Plan	Performance Share Units (PSU)	3 years	Awarded annually, based on individual performance and iA Financial Group performance. Final value based on iA Financial Corporation's Common Share price on the date of vesting and the level of performance achieved by iA Financial Group.	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 iA Financial Group 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 iA Financial Group executives in line with increased Common Shareholder value
Indirect Compensation					
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
President and Chief Executive Officer	32%	32%	10%	26%	68%	32%
Executive Vice President	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 st , 2021
DENIS RICARD President and Chief Executive Officer	\$842,960	\$950,000	+13%	\$950,000 \$	0%
JACQUES POTVIN Executive Vice President, Chief Financial Officer and Chief Actuary	\$418,910	\$461,000	+10%	\$461,000 \$	0%
MICHAEL L. STICKNEY⁽¹⁾ Executive Vice President and Chief Growth Officer	US \$391,180	US \$464,069	+19% ⁽²⁾	US \$464,069	0%
ALAIN BERGERON Executive Vice President and Chief Investment Officer	\$550,000 ⁽³⁾	\$564,000	+3%	\$564,000 \$	0%
RENÉE LAFLAMME 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 iA Financial Group, sectors and individuals must accomplish.

The plan’s objectives are as follows:

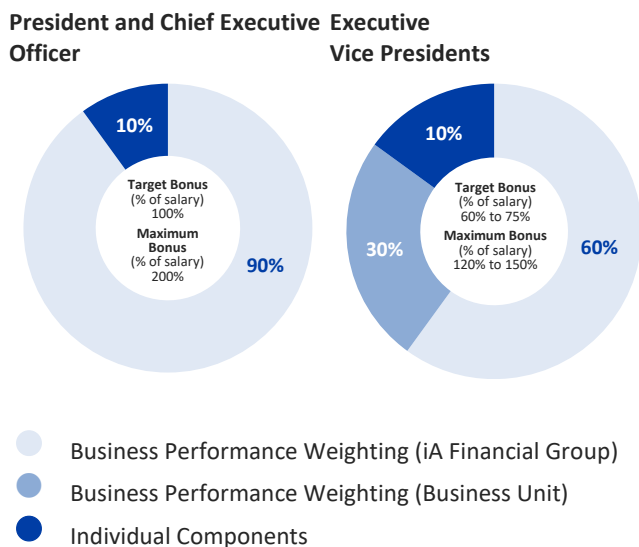
- Promote our mission among executives;
- Foster superior overall performance in terms of iA Financial Group’s goals;
- Encourage higher productivity;
- Recognize executive contributions to, and involvement in, attaining our goals; and
- Offer compensation that favourably positions us within our reference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

The annual bonus plan is based on five performance indicators:

Indicator	Indicator Justification
Return on Equity	Alignment with the interests of iA Financial Corporation’s 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 iA Financial Group, 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:

- | | |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <p>1 The achievement of profitability objectives</p> | <p>2 Business development</p> |
| <p>3 Cost control</p> | <p>4 Criteria specific to each Named Executive Officer such as division goals and individual measures</p> |

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
		Corporation	Business Unit	
	% of salary	%	%	%
DENIS RICARD	100	90	0	10
JACQUES POTVIN	60	30	60	10
MICHAEL L. STICKNEY	75	75	15	10
ALAIN BERGERON	75	50	40	10
RENÉE LAFLAMME	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 ⁽¹⁾	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 ⁽¹⁾	103% of budget	Budget	94% of budget

(1) The amounts of the individual objectives of each executive officer pertaining to new business and cost control constitute confidential information whose disclosure could greatly harm iA Financial Group's interests. Disclosure of these amounts and quantitative results would provide highly confidential data to iA Financial Group'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 iA Financial Group performance by rewarding those who successfully execute its business strategy and achieve key objectives;
- Align the interests of the executives with those of iA Financial Corporation's 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 iA Financial Corporation's 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 iA Financial Group 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 ⁽¹⁾	Performance Level	Net Income Performance Scale	Total Common Shareholder Return Percentile rank of relative TSR	Performance Multiplier
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 iA Financial 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 iA Financial 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 iA Financial Corporation's 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 iA Financial Corporation's 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 iA Financial Corporation's 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 iA Financial Corporation's 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 iA Financial Group'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 common shares of iA Financial Corporation 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 iA Financial Corporation's Common Shareholders, exceed 10% of the outstanding common shares of iA Financial Corporation.

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 iA Financial Corporation's outstanding Common Shares in the case of insiders, or 1.4% of iA Financial Corporation's outstanding Common Shares in the case of shares issued to any one insider and that insider's associates.

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

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.



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.



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 iA Financial Corporation's 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.

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

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

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 iA Financial Corporation's Common Shareholders	1,964,983	\$51.66	1,733,017
Equity compensation plans not approved by iA Financial Corporation's 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 Annual Information Form provide further information on these plans.

Executive Share Ownership

We have adopted a policy requiring certain key executive officers to hold iA Financial Corporation's 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 March 9, 2021, 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 iA Financial Corporation they hold as well as with respect to their share-based compensation awards of iA Financial 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 iA Financial Corporation's 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	\$	\$	
DENIS RICARD	42,000	2,818,200	46,701	3,133,637	5,951,837	Yes
JACQUES POTVIN	7,204	483,388	8,580	575,718	1,059,106	Yes
MICHAEL L. STICKNEY	33,100	2,221,010	1,252	84,009	2,305,019	Yes
ALAIN BERGERON	-	-	197	13,219	13,219	Yes ⁽¹⁾
RENÉE LAFLAMME	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

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.

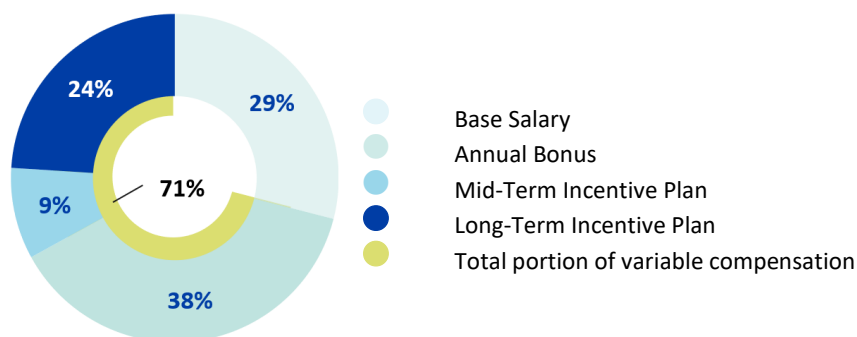
Mr. Ricard oversees the implementation of the Corporation's strategy and policies by adapting them according to the needs of the Corporation and ensures its monitoring and constant evolution. He is also responsible for identifying and seizing business opportunities that arise in the course of the Corporation's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

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 ⁽¹⁾	\$763,200	\$492,600	\$670,663
Total Direct Compensation	\$3,226,075	\$2,536,311	\$2,283,290

(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



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 iA Financial Corporation's Common Shareholder value.

	Total Direct Compensation		Value of an amount of \$100	
	Initial Value ⁽¹⁾	Actual Value as at December 31, 2020 ⁽²⁾	Value for the President and Chief Executive Officer ⁽³⁾	Common Shareholder Value ⁽⁴⁾
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 iA Financial Group 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
Total	100	129.3	1,227,891
Profit Threshold Met		Yes	Yes
Total Bonus Paid		129.3	1,227,891

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.

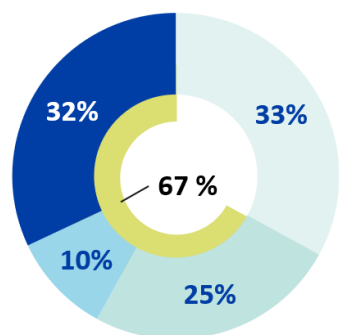
Executive Vice President, Chief Financial Officer and Chief Actuary

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 ⁽¹⁾	\$445,200	\$287,350	\$264,800
Total Direct Compensation	\$1,390,820	\$1,102,805	\$961,715

(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



- Base Salary
- Annual Bonus
- Mid-Term Incentive Plan
- Long-Term Incentive Plan
- Total portion of variable 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
Total	100	125.2	346,322
Profit Threshold Met		Yes	Yes
Total Bonus Paid		125.2	346,322

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

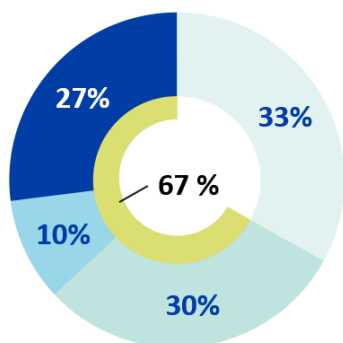
(1) Mr. Stickney's salary was paid in U.S. dollars and converted to Canadian dollars using the average exchange rate for 2020 (1.3415 = US\$464,069), 2019 (1.3269 = US\$391,180) and 2018 (1.2957 = US\$357,987).

(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



- Base Salary
- Annual Bonus
- Mid-Term Incentive Plan
- Long-Term Incentive Plan
- Total portion of variable 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
Total	100	123.4	558,099
Profit Threshold Met		Yes	Yes
Total Bonus Paid		123.4	558,099

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.

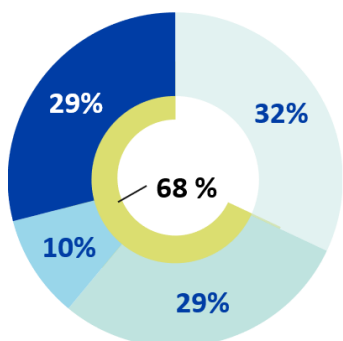
Executive Vice President and Chief Investment Officer

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 ⁽¹⁾	\$508,800	\$502,800	N/A
Total Direct Compensation	\$1,761,275	\$1,096,122	N/A

(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



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

Calculation of the 2020 Annual Bonus

	Weighting	Bonus as a percentage of Target	Bonus
	%	%	\$
Return on Shareholders' Equity	30	76.4	97,001
New Business	10	157.8	66,749
Cost Control	10	114.1	48,256
Divisional Objectives and Qualitative Assessment	50	145.3	307,244
Total	100	141.0	519,250
Profit Threshold Met		Yes	Yes
Total Bonus Paid		141.0	519,250



Executive Vice President, Individual Insurance, Savings and Retirement

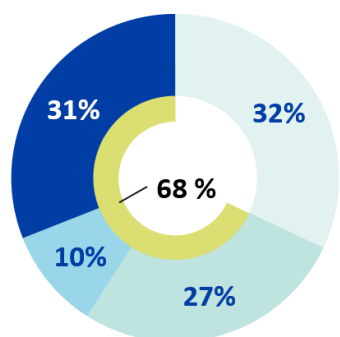
Renée Laflamme has been Executive Vice-President, Individual Insurance, Savings and Retirement since February 2018. She is responsible for the management of this sector's activities across Canada. She is responsible for the growth strategy of individual insurance, individual savings and retirement, as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

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(1)	\$445,200	\$287,350	\$397,200
Total Direct Compensation	\$1,421,109	\$1,155,527	\$1,152,580

(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



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

Calculation of the 2020 Annual Bonus

	Weighting	Bonus as a percentage of Target	Bonus
	%	%	\$
Return on Shareholders' Equity	35	76.4	74,001
New Business	10	157.8	43,647
Cost Control	10	114.1	31,554
Divisional Objectives and Qualitative Assessment	45	182.7	227,408
Total	100	136.2	376,611
Profit Threshold Met		Yes	Yes
Total Bonus Paid		136.2	376,611

Summary Compensation Table

Name and Principal Occupation	Year	Salary	Share-Based Awards ⁽¹⁾	Option-Based Awards ⁽²⁾	Annual Incentive Plan ⁽³⁾ (non-equity)	Pension Value	Other Compensation ⁽⁴⁾	Total Compensation
DENIS RICARD President and Chief Executive Officer	2020	\$950,000	\$284,984	\$763,200	\$1,227,891	\$3,677,435	N/A	\$6,903,510
	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
JACQUES POTVIN Executive Vice President and Chief Financial Officer and Chief Actuary	2020	\$461,000	\$138,298	\$445,200	\$346,322	\$1,381,530	N/A	\$2,772,350
	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
MICHAEL L. STICKNEY Executive Vice President and Chief Growth Officer	2020	\$622,549 ⁽⁵⁾	\$181,773 ⁽⁶⁾	\$508,800	\$558,099 ⁽⁷⁾	\$406,577	N/A	\$2,277,798
	2019	\$519,057 ⁽⁵⁾	\$146,630 ⁽⁶⁾	\$188,830	\$478,807 ⁽⁷⁾	\$354,475	N/A	\$1,687,799
	2018	\$463,843 ⁽⁵⁾	\$135,503 ⁽⁶⁾	\$304,520	\$279,887 ⁽⁷⁾	\$326,124	N/A	\$1,509,877
ALAIN BERGERON Executive Vice President and Chief Investment Officer	2020	\$564,000	\$169,225	\$508,800	\$519,250	\$317,568	\$250,000 ⁽⁸⁾	\$2,328,843
	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
RENÉE LAFLAMME Executive Vice President, Individual Insurance, Savings and Retirement	2020	\$461,000	\$138,298	\$445,200	\$376,611	\$592,334	N/A	\$2,013,443
	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 iA Financial 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, of 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 iA Financial Corporation's 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 iA Financial Corporation Common Shares traded on the Toronto Stock Exchange during the five trading days immediately preceding the day on which the option was granted. The options vest over four years at the

rate of 25% per year, starting on the first anniversary date of the date of the award. The options may be exercised for a period of 10 years from the date of the award.

Option-Based Awards					
Financial Year of Award	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiry Date	Value of Unexercised In-the-Money Options ⁽¹⁾	
	Number	\$		\$	
DENIS RICARD	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	--
Total	320,333			2,233,559	
JACQUES POTVIN	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	-
	Total	110,000			434,970
MICHAEL L. STICKNEY	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	-
	Total	226,000			2,277,110
ALAIN BERGERON	2019	60,000	54.79	September 3, 2029	23,400
	2020	40,000	73.93	February 7, 2030	-
	Total	100,000			23,400
RENÉE LAFLAMME	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	-
	Total	171,000			946,360

(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 iA Financial Corporation's 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 ⁽²⁾	
		Number of Shares or Share Units that Have Not Vested	Market or Payout Value of Share-Based Awards that Have Not Vested ⁽¹⁾	Outstanding DSUs ⁽³⁾ (all these DSUs have fully vested)	Market or Payout Value of Share-Based Awards that Have Vested (not paid or distributed)
	Number	\$	Number	\$	
DENIS RICARD	2019	5,771	324,503	46,701	2,576,961
	2020	4,061	228,350		
	Total	9,832	552,853		
JACQUES POTVIN	2019	2,868	161,268	8,580	473,444
	2020	1,971	110,829		
	Total	4,839	272,097		
MICHAEL L. STICKNEY	2019	2,521	180,484 ⁽⁴⁾	1,252	69,085
	2020	1,947	139,390 ⁽⁴⁾		
	Total	4,468	319,874⁽⁴⁾		
ALAIN BERGERON	2019	-	-	197	10,870
	2020	2,411	135,571		
	Total	2,411	135,571		
RENÉE LAFLAMME	2019	2,868	161,268	17,756	979,776
	2020	1,971	110,829		
	Total	4,839	272,097		

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

- (1) Value based on the closing price of iA Financial Corporation's 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 iA Financial Corporation's 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 iA Financial Group 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 iA Financial Corporation's 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	\$	\$	\$	\$
DENIS RICARD	2,944	313	3,257	1.03	56.23	188,309	178,341	9,968
JACQUES POTVIN	1,523	162	1,685	1.03	56.23	97,417	92,260	5,157
MICHAEL L. STICKNEY	1,774	188	1,962	1.03	56.23	144,063 ⁽¹⁾	135,503 ⁽²⁾	8,560
ALAIN BERGERON	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RENÉE LAFLAMME	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%

<p>75%</p> <p>Of the Coefficient of Net Earnings (1.04 x 75% = 0.78)</p>	+	<p>25%</p> <p>Of the Coefficient of the Relative TSR (1.00 x 25% = 0.25)</p>	=	<p>Coefficient of the Performance for the Period (1.03)</p>
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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.

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

(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:

	Annual Benefits Payable						
	Number of Years of Credited Service	At Year End	At Age 65 ⁽³⁾	Opening Present Value of Defined Benefit Obligation	Compensatory Change ⁽⁴⁾	Non-Compensatory Change ⁽⁵⁾	Closing Present Value of Defined Benefit Obligation
	Number	\$	\$	\$	\$	\$	\$
DENIS RICARD⁽¹⁾	35.58	862,227	1,035,637	14,108,251	3,677,435	4,959,563	22,745,250
JACQUES POTVIN	30.56	297,273	351,505	5,803,517	1,381,530	899,223	8,084,270
MICHAEL L. STICKNEY⁽²⁾	19.00	311,443	311,443	4,418,333	406,577	422,310	5,247,220
ALAIN BERGERON	1.33	19,281	376,858	102,853	317,568	34,078	454,499
RENÉE LAFLAMME	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
	\$	\$	\$	\$
MICHAEL L. STICKNEY	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 closing price for iA Financial Corporation's Common Share 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
		\$	\$	\$	\$	\$
DENIS RICARD	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
	Total Value	-	9,700,021	-	458,014	9,700,021
JACQUES POTVIN	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	230,748	-	230,748	230,748
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	Total Value	-	230,748	-	230,748	230,748
MICHAEL L. STICKNEY	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	297,731	-	297,731	297,731
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	Total Value	-	297,731	-	297,731	297,731
ALAIN BERGERON	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	35,410	-	35,410	35,410
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	Total Value	-	35,410	-	35,410	35,410
RENÉE LAFLAMME	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	252,111	-	252,111	252,111
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	Total Value	-	252,111	-	252,111	252,111

Indebtedness of Directors, Executive Officers and Employees

The Corporation does not grant loans to directors and executive officers to acquire shares of the Corporation. Consequently, with the exception of routine indebtedness, no director, executive officer, former executive member or employee is indebted to the Corporation or to one of its subsidiaries.

Legal Proceedings and Regulatory Actions

In the ordinary course of its business, from time to time, the Corporation is named as defendant in legal proceedings or class action suits for damages and costs and for damages and losses sustained by plaintiffs. While it is not possible to estimate the outcome of the various proceedings involving the Corporation at this time, the Corporation believes that these legal proceedings will not have a material negative effect on its financial position or on its consolidated results.

Since January 1, 2020, (a) no penalties or sanctions have been imposed on iA Insurance (i) by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, or (ii) by a court or regulatory body that would likely be considered material to a reasonable investor in making an investment decision, and (b) iA Insurance has not entered into any settlement agreements with a court relating to Canadian securities legislation or with a Canadian securities regulatory authority.

Transfer Agent and Registrar

iA Insurance has retained the services of Computershare Investor Services Inc. as its share transfer agent and registrar. The transfer books are kept in Montreal. Computershare can be contacted at:

1500 Robert-Bourassa Boulevard, 7th Floor
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Email: ia@computershare.com

Interests of Experts

Mr. Jacques Potvin, Executive Vice President, Chief Financial Officer and Chief Actuary of the Corporation, prepared the appointed actuary report for the financial year ended December 31, 2020. As at the date hereof, Mr. Potvin, as a registered or beneficial owner, owned directly or indirectly less than 1% of the Corporation's outstanding securities of any class.

Deloitte LLP, the Corporation's external auditor, prepared the auditor's report related to the audited Consolidated Financial Statements for the financial years ended December 31, 2020 and 2019. The Corporation has been informed that Deloitte LLP is independent within the meaning of the *Code of Ethics of Chartered Professional Accountants* (Quebec).

Additional Information

Additional information on the Corporation is available on the SEDAR website at sedar.com. Finally, additional financial information is provided in the *Consolidated Financial Statements* and the *Management's Discussion and Analysis* for its most recently completed financial year.

SCHEDULE A - Audit Committee Mandate

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.

The “Company”

The Audit Committee (the “Committee”) assists the Board of Directors (the “Board”) in its responsibilities relating to financial disclosure and the disclosure of other related information to Company shareholders as well as the oversight of the enterprise risk management framework and internal control environment, the internal auditor, the external auditor and the Company’s chief actuary.

Composition and Quorum

The Committee shall be constituted in accordance with the Company’s by-laws, the *Insurers Act*, R.S.Q., chapter A-32.1 (the “Act”), *Regulation 52-110 respecting Audit Committees* (“Regulation 52-110”) and Decision no. 2015-SOLV-0065 issued by the Autorité des marchés financiers regarding the authorization for the establishment of audit committees (the “Decision”), as may be amended from time to time.

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

- The members must have the financial literacy required to fulfill their role.⁽¹⁾
- The majority of Committee members must not be composed of shareholders who hold 10% or more of the voting rights attached to the shares issued by the Company or by a legal entity affiliated with the Company, or 10% or more of such shares.
- Notwithstanding the provisions of the Act and in accordance with the Decision, the majority of Committee members may be composed of members serving on other Board committees or directors of legal entities affiliated with the Company.

Moreover, all Committee members must be independent as defined by the Canadian Securities Administrators under Regulation 52-110 and under the Company’s *Board Independence Policy*.

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

Roles and Responsibilities

The Committee has the following responsibilities:

1. Financial disclosure

- Overseeing that processes are in place to provide reasonable assurance that the Company’s financial reporting is reliable and that its financial statements are prepared in accordance with financial reporting standards and the applicable legal and regulatory requirements.
- Reviewing with management and the external auditor the interim and annual financial statements, the results of the external audit of these financial statements, management’s discussion and analysis and the related press releases, and obtaining explanations from management on all significant variances with comparative periods, before recommending their approval to the Board and their release.
- Obtaining from the President and Chief Executive Officer and the Chief Financial Officer the certifications required under Multilateral Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings.
- Overseeing that effective internal controls and disclosure procedures are in place for reviewing the Company’s public disclosure of financial information extracted or derived from the Company’s financial

Under Regulation 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

statements, other than the financial statements, management's discussion and analysis and annual and interim earnings press releases.

- Periodically reviewing the Company's Disclosure Policy and assessing the adequacy of procedures related thereto.
- Reviewing with the external auditor any problems or difficulties relating to the audit and management's response thereto and resolving any disagreements between management and the external auditor regarding financial reporting.

2. Enterprise risk management framework and internal controls

- Periodically reviewing and adopting the Company's Risk Management Charter setting out the role, mission, powers, status and responsibilities of the Risk Management function.
- Recommending the approval of the enterprise risk management framework and its related policies to the Board.
- Overseeing the enterprise risk management framework and the systems in place for detecting, managing and reporting key risks, and periodically receiving reports from the Chief Risk Officer on compliance with the framework as well as its implementation and effectiveness.
- Periodically receiving the monitoring plan from the Compliance function and requesting that specific missions be carried out as needed.
- Receiving periodic reports from the Chief Compliance Officer, as well as reports in real time, as needed, on the Company's compliance with its regulatory framework and being informed in a timely manner of any deficiencies and significant exposure to regulatory and operational risk, along with its impacts.
- Overseeing and receiving updates on the status of implementation of recommendations issued by the Risk Management and Compliance functions with regard to identified deficiencies and the status of management's action plans to remedy them.
- Annually reviewing the performance appraisal of the Chief Risk Officer and the Chief Compliance Officer and receiving from each attestation of their independence.
- Overseeing the quality and integrity of the internal control systems through discussions with management, the supervisory functions, the internal auditor and the Company's external auditor.
- Periodically reviewing reports from management and the supervisory functions relating in whole or in part to the operation of the Company's financial reporting system, as well as any other control mechanisms or departure therefrom.

2.1. Oversight of specific programs

- Overseeing that risks related to information technology (IT), financial crime, privacy, and anti-money laundering and anti-terrorist financing are included in the enterprise risk management framework, as well as overseeing the implementation and effectiveness of related programs, periodically reviewing and approving the policies related thereto, and periodically receiving reports from the functions responsible for monitoring them.
- Overseeing the proactive management of significant and emerging IT risks and periodically receiving reports from management on major IT projects and the implementation and effectiveness of related programs, including the information security and data governance program.
- Periodically receiving reports from management on the action plans developed to correct the identified issues. These reports also include any relevant information to allow the Committee to make informed judgments on trends, problems and significant exposure to risks, including cybersecurity.
- Overseeing that measures are in place for the receipt, retention and handling of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, including the confidential, anonymous submission by Company employees of concerns related to audit or accounting.

3. Internal audit

- Adopting and periodically reviewing the Company's *Internal Audit Charter* setting out the role, mission, powers, status and responsibilities of the internal audit function.
- Periodically reviewing the internal audit plan that focuses on the Company's significant inherent risks, approving such plan and periodically overseeing its execution.
- Annually approving the budget and resources for the Company's internal audit function.
- Validating the adequacy of the scope and powers of the officer responsible for internal audit and the Company's internal audit function and verifying that the internal audit function has the resources and powers it needs at all times to carry out its mandate.
- Recommending to the Board the appointment and, when necessary, the removal of the internal auditor.
- Annually reviewing, participating in and discussing the internal auditor's performance appraisal and evaluating the effectiveness of the internal audit function.
- Periodically receiving updates from the internal auditor on the status of the audit plan or other related matters.
- Periodically reviewing audit reports, overseeing follow-up on internal audit's recommendations regarding identified deficiencies and overseeing appropriate management actions to correct them.
- Periodically receiving reports from the internal auditor on incidents associated with financial crime and fraud.
- Overseeing the independence and objectivity of the internal audit function by receiving a statement from the internal auditor confirming his or her independence, the independence of the internal audit function and compliance with the code of ethics and internal audit standards and overseeing direct access to the Audit Committee by the internal audit function.

4. External audit

- Validating the competency and independence of the external auditor.
- Overseeing the external auditor's work and receiving its annual written statement regarding its relationship with the Company and iA Financial Group's member companies and discussing any relationships that may impact its objectivity or independence.
- Recommending to the Board the public accounting firm to be submitted to the vote of shareholders for the purpose of preparing or issuing an audit report or performing other audit, review or certification services for the Company and its subsidiaries and recommending that compensation be determined by the Board.
- Pre-authorizing all audit services, determining which non-audit services the external auditor is entitled to provide and pre-approving all non-audit services in accordance with the *External Auditor Independence Policy and Regulation 52-110 on Audit Committees*.
- Adopting and periodically reviewing the External Auditor Independence Policy governing the awarding of contracts for non-audit services and the recruiting of individuals affiliated with the external auditor.
- Reviewing and approving external auditor fees, both for audit and authorized non-audit services.
- Reviewing the audit plan with management and the external auditor and approving it.
- Overseeing the execution of the external auditor's audit plan and overseeing follow-up on the implementation of its recommendations and the steps management has agreed to take to carry out the recommendations.
- Overseeing compliance with requirements regarding the rotation of appropriate partners of the external auditor and the participation of the external auditor in the Canadian Public Accountability Board's program.
- Periodically reviewing the external auditor's report in accordance with section 125 of the Act, which provides for the disclosure of any situation the auditor becomes aware of that is likely to appreciably limit the Company's ability to fulfill its obligations.

- Receiving all material correspondence between the external auditor and senior management with regard to the audit findings.
- In respect to the relationship with the external auditor, overseeing compliance with as well as the prudence and appropriateness of accounting and actuarial practices.
- Periodically reviewing the effectiveness and quality of the external auditor's work.

5. Chief Actuary

- Obtaining and annually reviewing the peer review's report of the Chief Actuary's work.
- Annually reviewing the chief actuary's performance appraisal.

6. Other responsibilities

- Periodically receiving the report on litigation outside the normal course of business for the Company and its subsidiaries and all material correspondence with regulators.
- Periodically reviewing and approving the Company's corporate insurance portfolio and the liability insurance coverage for the Company's officers and directors.

7. General responsibilities

- Overseeing coordination between the risk management, internal audit and external audit functions.
- Retaining the services of accounting, legal and other consultants and setting their compensation, subject to notifying the Chair of the Board. Such notification must be accompanied by a description of the expert's mandate.
- Carrying out all other responsibilities as may be entrusted to it from time to time by the Board.

Method of Operation

Frequency: The Committee holds at least five regular meetings per year and may hold special meetings if required. A meeting may be called at any time by the Chair of the Committee, the Chair of the Board or the Company's President and Chief Executive Officer.

Chair: The Board appoints the Chair of the Committee, who must be independent and must not be the Chair of the Board or of any other committee. In the absence of the Chair, the members of the Committee elect a chair amongst themselves.

Secretary: The Corporate Secretary or, in his or her absence, the Assistant Secretary or any other person appointed by the members of the Committee, serves as Secretary for the Committee.

Agenda: The Chair of the Committee sets the agenda for each meeting of the Committee in consultation with the Company's President and Chief Executive Officer, the Chief Financial Officer and the Secretary. The agenda and the necessary documents are provided to the members of the Committee on a timely basis prior to any meetings of the Committee.

Report: The Chair of the Committee reports on a regular basis to the Board about the Committee's proceedings, findings and recommendations.

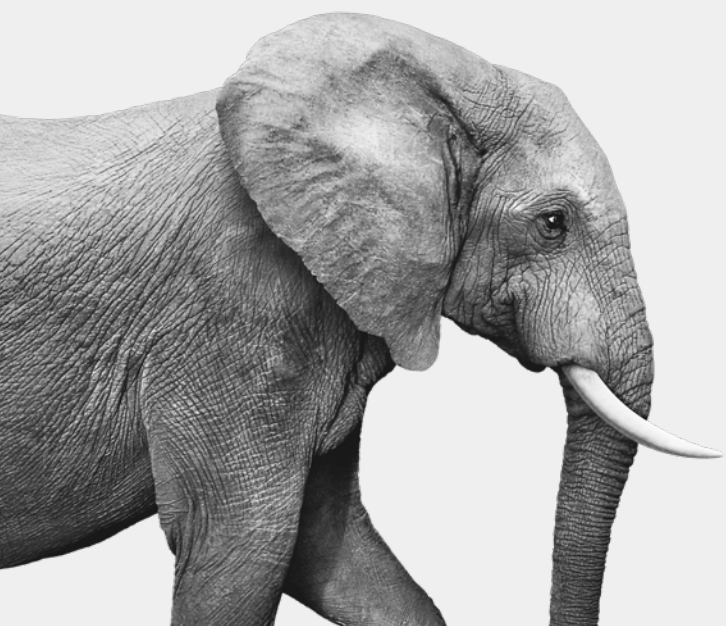
Communication: The Committee has a direct, two-way line of communication at all times with the Company's internal and external auditors and with all its other supervisory functions.

In camera: The Committee has a separate in-camera meeting with the internal auditor and the external auditor after each meeting, without senior management. It also meets in camera with the supervisory functions separately at least once a year without members of senior management, and meets with members of senior management without the auditors, and meets in-camera without senior management, the supervisory functions or the auditors.

Charter review: The Committee reviews its charter periodically and reports to the Board on any modifications required thereto.

ANNUAL INFORMATION FORM

**Industrial Alliance Insurance
and Financial Services Inc.**



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