Fiera Capital Corporation

Enterprise Risk Management Policy

Approved by the Board on March 22nd, 2017

TABLE OF CONTENTS

1. INTRODUCTION

Fiera Capital Corporation's ("the Corporation", "Fiera" or "FCC") mission is to be a leading asset management firm recognized for superior portfolio management, innovative investment solutions and an ability to surpass client expectations.

Fiera acknowledges that it must take risks to achieve its mission and objectives, and that the management of the full spectrum of risks should be integrated on an enterprise-wide basis.

The vision for Enterprise Risk Management ("ERM") at Fiera is to build risk awareness in the organization, to achieve the embedding of risk management into activities as an integral part of the business of the Corporation, and to have comprehensive internal control and assurance processes linked to key risks which are reported to the management team ("Management") and the Board of Directors (the "Board").

This Enterprise Risk Management policy ("ERM Policy") sets out the guiding principles that govern the overall approach, philosophy, culture and values with respect to Fiera's risk management.

2. SCOPE & OBJECTIVES

The objective of this ERM Policy is to provide an Enterprise Risk Management framework (the "ERM Framework") to identify, evaluate, manage and report on enterprise risks, and to define the roles and responsibilities required to maintain that framework. This is to ensure Fiera builds risk awareness across the organization, and that there is effective communication and management of risks across all pertinent risk categories for Fiera.

The ERM Policy is also intended to ensure that Fiera maintains adequate segregation of duties in risk management, via an effective distinction between:

- those involved in taking and managing risks (business management as the first line of defense);
- those who establish and maintain the framework to assess, report and monitor risks (risk functions as the second line of defense);
- those who provide assurance that all significant risks are appropriately identified, assessed, managed, monitored and reported (internal and external assurance services as the third line of defense); and
- those that are responsible for enterprise oversight (Management with support from the Board).

The scope of this Policy is enterprise-wide and is applicable to members of the Board, Management and employees of the Corporation.

The scope of this Policy includes all enterprise risks to which Fiera may be exposed, categorized into four (4) main classes of enterprise risks, inherent to the organization's activities. Those risk classes are illustrated (See Figure 1) and defined below.

Figure 1: Enterprise Risk Classes and categories of Fiera ERM Policy

Fiera's Enterprise Risks
Risk Classes (Scope of the ERM Policy)

Financial Risks
- Investment Risk
- Portfolio Performance
- Capital Structure Risk

Operations Risks
- Business Processes Risk
- Human Resources Risk
- IT and Infrastructures Risk

Compliance Risks
- Code of Conduct Risk
- Legal and Regulatory Risk

Strategic Risks
- Governance Risk
- Vision and Direction Risk
- Execution and Integration of Acquisitions
- Stakeholders Risk
- Marketing and Communications Risk

3. DEFINITIONS

3.1. Financial Risks

1. ***Investment risk:*** The risk of loss on investment activities undertaken by Fiera's Portfolio Managers on behalf of clients in mandates managed or sub-advised by Fiera and its divisions or subsidiaries (the "Fiera Mandates" or the "Mandates"). Fiera Mandates may be exposed to investment risks, such as market, credit, counterparty, liquidity, concentration, and leverage risks, when Fiera Portfolio Managers are working on achieving their investment objectives.

Please refer to the Investment Risk Management ("IRM") Policy where investment risk types are covered in detail.

2. ***Portfolio performance:*** It is the risk for Fiera Corporation of failure to generate value-added returns on Fiera Mandates, due to the ineffective selection, management and exit of investments.

3. ***Capital structure risk:*** It is the risk related to the difficulty to implement and maintain a capital structure that is cost efficient, in line with external stakeholders' expectations, and that provides adequate funding for business objectives and operating obligations.

3.2. Operations Risks

4. ***Business processes risk:*** It is the risk of a direct or indirect loss resulting from inadequate or failed internal business processes and operations, or from external operational events.

5. ***Human resources risk:*** It is the risk of failure to human resources areas like recruiting, retention, development, performance, compensation and employment practices.

6. ***IT and infrastructures risk:*** It is the risk of failure to design, manage and maintain adequately the information technology and infrastructures to ensure the organization operates in a secure, reliable, well-structured and efficient environment and framework.

Please refer to the Operations Risk Management ("ORM") Policy where operations risk types are covered in detail.

3.3. Compliance Risks

7. ***Code of conduct risk:*** It is the risk poor standards of employee behavior that could negatively direct or influence the way business is conducted, in comparison of good practices and of the letter of the law.

8. ***Legal and regulatory risk:*** It is the risk of failure to comply with applicable laws, regulations, or change in legislation, regulations or other mandatory industry practices. It includes the risk of unfavorable changes in legislations that impact Fiera's operations.

Please refer to the Compliance Risk Management ("CRM") Policy where compliance risk types are covered in detail.

3.4. Strategic Risks

9. ***Governance Risk:*** It is the risk of a lack of consistent corporate management, strategic planning, cohesive policies, organizational structure alignment or well-designed internal controls, which could impede the capacity of the organization to the governed.

10. ***Vision and Direction Risk:*** It is the risk of failure to establish a vision and direction for major initiatives, including network plan and design, new products and services that will drive future growth.

11. ***Execution and Integration of Acquisitions:*** It is the risk of failure to execute and integrate specific transaction activities to capitalize on mergers, acquisition and divesture opportunities to expand the network reach, or instigate a change in strategic or operational direction.

12. ***Stakeholders Risk:*** It is the risk of unproductive or poor relationships with stakeholders like business partners, third party service providers or clients that can lead to lost time, costs, loss of key clients or negative reputation risk due to product/services failures.

13. ***Marketing and communications risk:*** It is the risk of failure in marketing and communications activities with internal and external stakeholders, to position the organization and its services and initiatives.

4. RELATED DOCUMENTS

- Investment Risk Management Policy.
- Operations Risk Management Policy.
- Compliance Risk Management Policy.
- Charter of Fiera's Audit and Risk Management Committee.
- Charter of Fiera's Global Executive Management Team.

- Charters of Divisions' Management Committees.
- Charters of Divisions' Investment Committees.

5. PRINCIPLES

Fiera has established the following guiding principles to help govern the management of enterprise risks. All Fiera employees should strive to apply the principles below as they engage in managing financial or non-financial risks within their areas:

1. ***Risk governance:*** Effective risk governance, with clearly defined and communicated responsibilities, in the management, monitoring and reporting of risks, will be implemented to ensure proper Management oversight.

2. ***Risk ownership:*** For each identified risk within Fiera and its divisions, the risk owners are the individuals that have the primary responsibility for taking and managing this particular risk in the organization.

3. ***Risk responsibilities:*** Fiera follows the following principle of four lines of defense for assigned responsibilities to the different components of its Risk Management Framework, for each risk:

   - The first line of defense of the framework is the responsibility of risk owners who are taking and managing risks for Fiera;
   - The second line of defense is the responsibility of the risk function which identifies and evaluates key risks with risk owners, and which monitors and reports on their management;
   - The third line of defense is the responsibility of internal and external assurance services, which provide Management and the Board with independent assurance of the design and operating effectiveness of the organization's risk management activities;
   - The fourth line of defense is the responsibility of Executive Management, with support from the Board, to oversee the business and its related risks, and to act on escalated material issues or opportunities.

4. ***Risk culture***: A risk culture is established across the organization through promotion of risk awareness, clear responsibilities within the four lines of defense, Management commitment to good risk management practices, and alignment of organizational processes and financial incentives.

5. ***Risk planning and control:*** Assessment of risks is integrated in the strategy setting of the organization, and the execution and progress of the strategy is monitored effectively against identified risks.

6. ***Common framework***: A common approach to risk management and reporting is in place to promote consistency and best practices in the managing, monitoring and reporting of risks including a "common language" used by the organization in discussing risks.

7. ***Effective communication and teamwork:*** Transparent communications and collaboration are leveraged to ensure that emerging risk issues are identified and addressed in a timely and coordinated manner.

8. ***Risk intelligence***: Risk information is integrated into the decision making process, including analyses of internal and external factors, consideration for risk interdependencies or correlations, and knowledge of appropriate responses.

9. ***Risk transparency***: Timely communication and reporting about key risks are applied by Fiera's employees to Management and the Board.

10. ***Independent assurance***: The Corporation will obtain periodic independent assurance (i.e., Audit Services and/or external audit) that systems of risk management and internal control are operating efficiently and effectively.

6. DETAILED POLICY SECTIONS

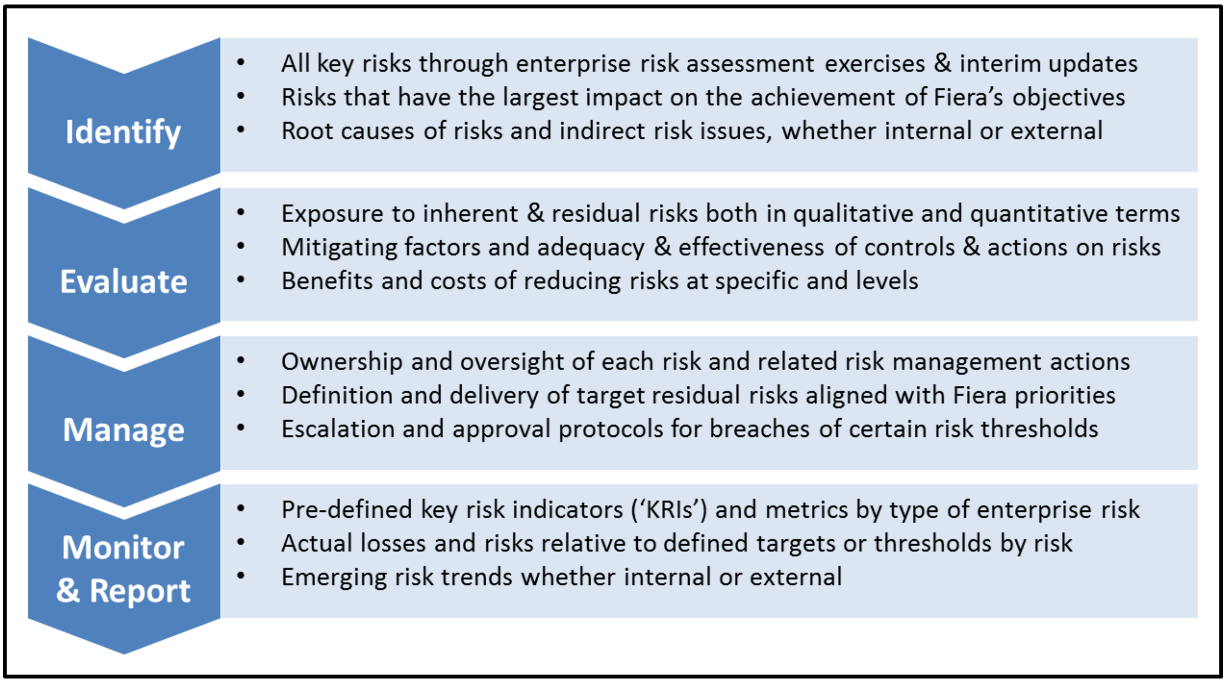
6.1. Framework

The ERM Framework (See Figure 2 below) outlines the broad steps involved in managing Fiera's enterprise risks:

1. The different risk policies and procedures developed to supplement the ERM policy will take this framework into account in addressing the various financial and non-financial risks of Fiera.

2. In line with this framework, a comprehensive Risks and Controls Self-Assessment ("RCSA") exercise will be performed with selected employees across the organization at least on a bi-annual basis, with interim updates as needed by different Divisions or subsidiaries of Fiera, to identify and evaluate the risks faced by Fiera as well as the adequacy of the control environment.

Figure 2: Fiera Capital ERM Framework



6.2. Governance, Responsibilities and Oversight

3. Fiera takes a pragmatic approach to ERM governance that leverages existing committee structures at Corporate and Divisions levels to raise risk awareness and facilitate risk management of enterprise risks.

4. Fiera's ERM Governance structure (See Figure 3 below) outlines the key components of ERM governance within the Corporation's organizational structure where responsibilities of oversight and management of enterprise risks are assigned and fulfilled.

5. The Corporation's Chief Risk Officer (the 'CRO') is mandated by Fiera with the responsibility of overseeing and reporting on risks and operating issues across Global and Divisions boundaries that could have a material impact on some of the Global or Divisions' objectives. To do so, the CRO, or one of its representatives, sits on each of the existing committees as described in the ERM Governance diagram in Figure 3, to cover risk management in the agenda of those committees meetings. It allows the CRO to raise risk awareness and promote and oversee risk management practices at Global and Divisions levels.

6. For each governance layer, core responsibilities for the oversight and management of different enterprise risks are summarized in Figure 3 below.

Figure 3: ERM Governance within Fiera Capital organizational structure:

Legend:

○ *Secondary Responsibility on Risk*
● *Primary Responsibility on Risk*
★ *CRO participation to committee*
◇ *Oversight of Risk at Board Level*
◆ *Oversight of Risk at Global Level*

		Strategic Risks	Financial Risks[1]	Operations Risks	Compliance Risks
	Board of Directors' ('Board') Committees				
	• Board of Directors ('Board')	◇			
★	• Audit and Risk Management Committee ('ARMC')		◇	◇	◇
	Global Management				
★	• Global Executive Management Team	●◆	●◆	○◆	○◆
	Division's Committees/Teams				
★	• Division's Management Committee[2]	○	○	●	●
★	• Division's Investment Committee[3]		●		

[1] For financial risks, primary responsibility is at Divisions' Investment Committees for investment risks and at Global Executive Management Team for other financial risks. Secondary responsibility is at the Divisions' Management Committees level for investment risks.
[2] Some Divisions' Management Committees may delegate review of risks to a sub-committee like an Operating Committee.
[3] Some Divisions' Investment Committees may delegate review of investment risks to a sub-committee like an Investment Risk Committee.

6.2.1. Fiera Divisions' Risk Governance[1]

7. **Divisions' Management Committee** [2]: The Management Committee of each of Fiera's Divisions has responsibility of managing its Division's enterprise risks and of reporting on key risks and risk management initiatives to the Global Executive Management Team via its local Division Board of Directors. The Division's Management Committee includes a section of its agenda on risk management that is coordinated by the Corporation's CRO, with the purpose to:

    - Oversee how the Division's key enterprise risks are identified, assessed, prioritized, communicated and monitored within the Division.
    - Facilitate the coordination of efforts and setting of priorities to develop, implement and monitor action plans for identified key risks across the Division.
    - Ensure that the Division's management and employees have designed, implemented and are applying on a consistent basis appropriate risk management practices for risks that could have material impacts on the performance or on realisation of objectives of the Corporation or the Division.

8. **Divisions' Investment Committee** [3]: The Investment Committee of each Division, which is chaired by the Chief Investment Officer (the 'CIO'), is responsible for the ongoing oversight and management of investment risks. The Investment Committee will cover investment risks in its agenda at least on a quarterly basis, with participation of representatives of the Division's Middle Office or equivalents, and of the CRO.

6.2.2. Fiera Global Risk Governance

9. **Global Executive Management Team**: The Global Executive Management Team has the ultimate responsibility, among others, of overseeing and approving Fiera's enterprise risk management. It will meet at least on a quarterly basis to have a section of its agenda covering risk management that will be coordinated by the Corporation's CRO, with the purpose to:

- Oversee how enterprise risks are identified, assessed, prioritized, communicated and monitored within Fiera and its Divisions;
- Facilitate the coordination of efforts and setting of priorities to develop, implement and monitor action plans for identified key risks across Fiera and its Divisions;
- Ensure that Fiera management and employees have designed, implemented and are applying on a consistent basis appropriate risk management practices for risks that could have material impacts on the performance or on realisation of objectives of the Corporation or its Divisions.

10. **Board of Directors (the 'Board')**: the Board has the responsibility to approve the risk oversight and management framework proposed in Fiera's ERM Policy, and to be consulted by the Global Executive Management Team on corporate decisions that could materially impact the risk profile of Fiera.

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[1] For details on the mandate, operating mode and the scope of responsibilities and duties of each existing committee mentioned in this policy, please refer to their charter.

[2] Some Divisions' Management Committees may delegate review of risks to a sub-committee like an Operating Committee.

[3] Some Divisions' Investment Committees may delegate review of investment risks to a sub-committee like an Investment Risk Management Committee, chaired by the Division's Chief Investment Officer.

11. **Audit and Risk Management Committee (the 'ARMC')**: The Board has delegated to this board-level committee the oversight of the risk management program and practices at corporate level. This committee will meet on a quarterly basis. Any risk management decision that requires to be escalated at the Board level will be discussed at the ARMC. The ARMC will contribute to risk oversight by:

    - Knowing the extent to which Fiera's Global Executive Management Team and Divisions' Management Committees have established effective enterprise risk management processes within the organization;
    - Reviewing the corporate risk profile provided by Fiera's CRO, and being apprised of the most significant risks and whether Fiera's Global Executive Management Team and Divisions' Management Committees are responding appropriately.

7. COMPLIANCE TO POLICY

All employees of Fiera will comply with the ERM Policy. Designated employees will comply with other procedures that relate to specific enterprise risks in the Division or Subsidiary they work for.

8. APPROVAL AND REVIEW

The ERM Policy is maintained by the CRO and will be presented to the Board for review not less frequently than every two (2) years.

Document Version Tracking

Version	Date	Modified by	Description
1.0	November 8th, 2016	David Stréliski	Initial Version