



FIERASCEPTRE

FIERA SCEPTRE INC.

**NOTICE OF ANNUAL GENERAL AND
SPECIAL MEETING OF SHAREHOLDERS**

AND

MANAGEMENT INFORMATION CIRCULAR

Dated March 1, 2012

For the Annual General and Special Meeting of Shareholders to be held on March 29, 2012



March 1st, 2012

Dear Shareholders:

On behalf of the Board of Directors, we would like to invite you to join us at the annual general and special meeting (the “**Meeting**”) of shareholders of Fiera Sceptre Inc. (“**Fiera Sceptre**” or the “**Corporation**”) that will be held at the Centre Mont-Royal, 2200 Mansfield Street, Montreal, Québec, on Thursday, March 29, 2012, at 9:00 a.m. (Montreal time).

On February 24, 2012, Fiera Sceptre entered into an asset purchase agreement (the “**Acquisition Agreement**”) with National Bank of Canada (“**National Bank**”) and Natcan Investment Management Inc. (“**Natcan**”), a subsidiary of National Bank, pursuant to which, subject to the terms and conditions of the Acquisition Agreement, Fiera Sceptre will acquire substantially all of the business assets of Natcan (the “**Acquisition**”). As a result, in addition to the customary business to be considered at an annual meeting (described in the attached notice), you will be asked at the Meeting to consider several items of special business relating to the Acquisition. The special meeting of Fiera Sceptre shareholders is being held concurrently with the annual general meeting of Fiera Sceptre shareholders.

The following are the items of special business to be considered at the Meeting:

- (a) an ordinary resolution of the holders of class A subordinate voting shares (the “**Class A Subordinate Voting Shares**”) of the Corporation (the “**Share Issuance Resolution**”) approving the issuance of:
 - (i) 19,711,569 (subject to adjustment) Class A Subordinate Voting Shares, representing 35% of the total number of Class A Subordinate Voting Shares and class B special voting shares of the Corporation (the “**Class B Special Voting Shares**”, and together with the Class A Subordinate Voting Shares, the “**Shares**”) that are issued and outstanding immediately after the closing of the Acquisition and approximately 53.9% of the total number of Shares that are issued and outstanding on the date hereof;
 - (ii) that number of additional Class A Subordinate Voting Shares (issuable as consideration under the purchase price provisions of the Acquisition Agreement and/or upon the exercise of certain options being granted to National Bank in connection with the Acquisition) which is equal to 2.5% of the total number of Shares that are issued and outstanding (on a non-diluted basis) on each of two specified dates (in 2013 and 2014) following the issuance of such additional Class A Subordinate Voting Shares (or 5% in the aggregate); in each case, such additional Class A Subordinate Voting Shares would represent 2.56% of the total number of Shares that are issued and outstanding immediately prior to the issuance thereof;
- (b) conditional upon approval of the Share Issuance Resolution, a special resolution of the shareholders of the Corporation to amend the articles of Fiera Sceptre to increase the maximum number of directors from nine to 12 (the “**Board Expansion Resolution**”); and
- (c) a special resolution of the shareholders of the Corporation to amend the articles of Fiera Sceptre to change the name of the Corporation to “Fiera Capital Ltd./Fiera Capital Ltée”, or such other name as the Board of Directors in their discretion may resolve and as may be acceptable to the Toronto Stock Exchange (the “**Name Change Resolution**”).

To be effective, the Share Issuance Resolution must be approved by at least a simple majority of the votes cast by holders of the Class A Subordinate Voting Shares present (in person or by proxy) and entitled to vote at the Meeting, excluding votes attaching to the (i) 60,000 Class A Subordinate Voting Shares indirectly held by Fiera Capital L.P.; (ii) 833,333 Class A Subordinate Voting Shares held by Libermont Inc.; and (iii) any other Class A Subordinate

Voting Shares required to be excluded from the vote pursuant to the rules of the Toronto Stock Exchange. The Board Expansion Resolution and Name Change Resolution must be approved by at least two-thirds of the votes cast by Shareholders present (in person or by proxy) and entitled to vote at the Meeting. Collectively, the Share Issuance Resolution, the Board Expansion Resolution and the Name Change Resolution are referred to in this letter as the “**Resolutions**”.

The Acquisition cannot be completed unless the Share Issuance Resolution and Board Expansion Resolution are duly approved by the Shareholders at the Meeting.

Completion of the Acquisition is dependent on many factors and is subject to several conditions and it is not possible at this time to determine precisely when or if the Acquisition will be completed. As a consequence, you will be asked to consider two slates of directors for election at the Meeting. The first slate of directors is comprised of the nine incumbent directors of Fiera Sceptre (the “**Incumbent Board**”) who will continue in office after the Meeting, if elected, and who will serve until, and be replaced by the second slate of directors, subject to the completion of the Acquisition, at which time the terms of the Incumbent Board will expire and the election of the slate of directors comprised of the Incumbent Board and three additional nominees, two of which will be nominees of National Bank (the “**Post-Acquisition Board**”), will become effective, provided that you elect the Post-Acquisition Board and approve the Board Expansion Resolution at the Meeting.

The Acquisition will be a transformative transaction for Fiera Sceptre and will result in the Corporation becoming one of the top five independent asset managers in Canada with over \$54 billion in assets under management. In addition, Fiera Sceptre will, as a result of the Acquisition, obtain access to the distribution network of a major Canadian bank, which will enhance the asset gathering capabilities of its business.

The Board of Directors has, following consultation with its financial and other outside advisors, determined that the Acquisition is fair, from a financial point of view, to Fiera Sceptre shareholders and in the best interests of Fiera Sceptre, and unanimously recommends that shareholders vote “FOR” the approval of the Resolutions.

In making their determinations, the Board of Directors considered, among other things, the recommendation of the special committee of independent directors of the Board of Directors that was formed for purposes of evaluating the Acquisition and providing a recommendation thereon to the Board (the “**Special Committee**”), and a fairness opinion delivered by GMP Securities L.P. to the Special Committee and to the Board, to the effect that, as of February 24, 2012 and based upon and subject to the analyses, assumptions qualifications and limitations discussed therein, the Acquisition is fair, from a financial point of view, to Fiera Sceptre’s shareholders. A copy of GMP Securities L.P.’s fairness opinion is included as Appendix “E” to the accompanying management information circular.

Enclosed are materials containing important information about the proposed transactions and why we believe the Acquisition is in the best interests of Fiera Sceptre. We urge you to read these documents carefully, as they have been prepared to help you make an informed decision. If you require assistance, please consult your financial, legal, tax or other professional advisors.

In view of the importance of the actions to be taken at the Meeting, we urge you to vote “FOR” the Resolutions by promptly submitting your proxy by signing, dating and returning the enclosed proxy in the postage-paid envelope provided.

On behalf of the Board of Directors, I would like to take this opportunity to thank you for the support you have shown as a shareholder of Fiera Sceptre.

Sincerely,

(signed) Jean-Guy Desjardins

Chairman of the Board of Directors,
Chief Executive Officer and Chief Investment Officer
Fiera Sceptre Inc.



FIERA SCEPTRE

FIERA SCEPTRE INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general and special meeting (the “**Meeting**”) of shareholders of Fiera Sceptre Inc. (“**Fiera Sceptre**” or the “**Corporation**”) will be held at the Centre Mont-Royal, 2200 Mansfield Street, Montreal, Québec, on Thursday, March 29, 2012, at 9:00 a.m. (Montreal time) for the following purposes:

- (a) to receive the financial statements of Fiera Sceptre for the financial year ended September 30, 2011 and the independent auditor’s report thereon;
- (b) to consider and, if thought advisable, to approve, with or without variation, an ordinary resolution of the holders of class A subordinate voting shares (the “**Class A Subordinate Voting Shares**”) of the Corporation (the “**Share Issuance Resolution**”), the full text of which is set forth in Appendix “B” to the accompanying management information circular (the “**Circular**”), approving the issuance of:
 - (i) 19,711,569 (subject to adjustment) Class A Subordinate Voting Shares, representing 35% of the total number of Class A Subordinate Voting Shares and class B special voting shares of the Corporation (the “**Class B Special Voting Shares**”, and together with the Class A Subordinate Voting Shares, the “**Shares**”) that are issued and outstanding immediately after the closing of the Acquisition and approximately 53.9% of the total number of Shares that are issued and outstanding on the date hereof;
 - (ii) that number of additional Class A Subordinate Voting Shares (issuable as consideration under the purchase price provisions of the Acquisition Agreement and/or upon the exercise of certain options being granted to National Bank in connection with the Acquisition) which is equal to 2.5% of the total number of Shares that are issued and outstanding (on a non-diluted basis) on each of two specified dates (in 2013 and 2014) following the issuance of such additional Class A Subordinate Voting Shares (or 5% in the aggregate); in each case, such additional Class A Subordinate Voting Shares would represent 2.56% of the total number of Shares that are issued and outstanding immediately prior to the issuance thereof;
- (c) conditional upon approval of the Share Issuance Resolution, to consider and, if thought advisable, to approve, with or without variation, a special resolution of the shareholders of the Corporation to amend the articles of Fiera Sceptre to increase the maximum number of directors from nine to 12 (the “**Board Expansion Resolution**”), the full text of which is set forth in Appendix “C” of the accompanying Circular;
- (d) to consider and, if thought advisable, to approve, with or without variation, a special resolution of the shareholders of the Corporation to amend the articles of Fiera Sceptre to change the name of the Corporation to “Fiera Capital Ltd./Fiera Capital Ltée”, or such other name as the Board of Directors in their discretion may resolve and as may be acceptable to the Toronto Stock Exchange (the “**Name Change Resolution**”), the full text of which is set forth in Appendix “D” of the accompanying Circular;
- (e) to elect two alternative slates of Class A Directors and Class B Directors of the Corporation for the ensuing year; namely, (i) a slate of nine (9) nominees comprising the nine incumbent directors of the Corporation (the “**Incumbent Board**”), and (ii) a slate of twelve (12) nominees (the “**Post-Acquisition Board**”), where the Incumbent Board will continue in office following the Meeting subject to the completion of the acquisition by the Corporation of substantially all of the business assets of Natcan Investment Management

Inc. (the “**Acquisition**”), at which time the terms of the Incumbent Board will expire and the election of the Post-Acquisition Board will become effective;

- (f) to appoint auditors and authorize the Board of Directors to fix their remuneration; and
- (g) to transact such further and other business as may properly come before the Meeting or any adjournment or postponement thereof.

The Circular and a form of proxy accompany this Notice. Registered shareholders who are unable to be present at the Meeting are kindly requested to specify on the accompanying form of proxy the manner in which the shares represented thereby are to be voted, and to sign, date, and return same in accordance with the instructions set out in the form of proxy and the Circular.

The Board of Directors of Fiera Sceptre has fixed a record date of Thursday, February 23, 2012 for the Meeting. Accordingly, shareholders registered on the books of Fiera Sceptre at the close of business on February 23, 2012 are entitled to receive notice of the Meeting and are entitled to vote thereat.

Your vote is important regardless of the number of shares you own. It is important that your shares be represented and voted, whether or not you plan to attend the Meeting. If you are a beneficial shareholder and receive these materials through your broker, custodian, nominee or other intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or intermediary.

DATED at Montreal, Québec, this 1st day of March, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Jean-Guy Desjardins

Jean-Guy Desjardins
Chairman of the Board of Directors,
Chief Executive Officer and Chief Investment Officer
Fiera Sceptre Inc.

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MANAGEMENT INFORMATION CIRCULAR

This Circular is being furnished to holders (the “**Shareholders**”) of the class A subordinate voting shares (the “**Class A Subordinate Voting Shares**”) and class B special voting shares (the “**Class B Special Voting Shares**”), and together with the Class A Subordinate Voting Shares, the “**Shares**”) of Fiera Sceptre Inc. (“**Fiera Sceptre**” or the “**Corporation**”) in connection with the solicitation of proxies by management of Fiera Sceptre for use at the annual general and special meeting of the Corporation (the “**Meeting**”) to be held at the Centre Mont-Royal, 2200 Mansfield Street, Montreal, Québec, on Thursday, March 29, 2012, at 9:00 a.m. (Montreal time) and any adjournment or postponement thereof.

Information in this Circular is given as of February 24, 2012, except as otherwise indicated herein. Unless otherwise indicated, dollar amounts are expressed in Canadian dollars.

These securityholder materials are being sent to both registered and non-registered owners of the Shares. If you are a non-registered owner, and Fiera Sceptre (or its agent) has sent these materials directly to you, your name and address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Shares on your behalf.

Please see the sections entitled “*Risk Factors*” in this Circular and in certain of the documents incorporated by reference herein for certain considerations relevant to the approval of the Share Issuance Resolution and the transactions contemplated in connection therewith.

No person is authorized to give any information or to make any representation not contained in this Circular, and, if given or made, such information or representation should not be relied upon as having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Circular.

The Class A Subordinate Voting Shares to be issued pursuant to the Acquisition have not been approved or disapproved by any securities regulatory authority of any province or territory of Canada, nor has any securities regulatory authority of any province or territory of Canada passed on the merits or fairness of the proposed Acquisition or the adequacy or accuracy of this Circular. Any representation to the contrary is a criminal offence.

INFORMATION PROVIDED BY NATIONAL BANK

The information concerning Natcan and National Bank contained in this Circular has been provided by National Bank. Fiera Sceptre assumes no responsibility for the accuracy or completeness of such information, nor for any omission on the part of National Bank to disclose facts or events which may affect the accuracy of any such information.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Fiera Sceptre’s public communications often include oral or written forward-looking statements. Statements of this type are included in this Circular and may be included in other filings with Canadian securities regulators or in other communications. Forward-looking statements may include comments with respect to Fiera Sceptre’s objectives, strategies to achieve those objectives, expected financial results (including those in the area of risk management), and the outlook for Fiera Sceptre’s businesses and for the Canadian, United States and global economies. Such statements are typically identified by words or phrases such as “believe,” “expect,” “anticipate,” “intent,” “estimate,” “plan,” “may increase,” “may fluctuate,” and similar expressions of future or conditional verbs, such as “will,” “should,” “would” and “could.”

By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond Fiera Sceptre's control, could cause actual results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: the economic and financial conditions in Canada and globally; fluctuations in interest rates and currency values; liquidity; significant market volatility and interruptions; the failure of third parties to comply with their obligations to Fiera Sceptre and its affiliates; the effect of changes in monetary policy; legislative and regulatory developments in Canada and elsewhere, including changes in tax laws; operational and reputational risks; the risk that Fiera Sceptre's risk management models may not take into account all relevant factors; the accuracy and completeness of information received by Fiera Sceptre; Fiera Sceptre's ability to complete and integrate the Acquisition and Natcan's business and its other growth strategies; changes in accounting policies and methods Fiera Sceptre uses to report its financial condition and the results of its operations, including uncertainties associated with critical accounting assumptions and estimates; the effect of applying future accounting changes; Fiera Sceptre's ability to attract and retain key executives; technological developments; fraud by internal or external parties; consolidation in the Canadian investment management sector; competition, both from new entrants and established competitors; judicial and regulatory proceedings; acts of God, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments, including terrorist acts and war on terrorism; the effects of disease or illness on local, national or international economies; disruptions to public infrastructure, including transportation, communication, power and water; and Fiera Sceptre's anticipation of and success in managing the risks implied by the foregoing. These and other factors may cause Fiera Sceptre's actual performance to differ materially from that contemplated by forward-looking statements. For more information, see the discussion starting on page 1 of the annual information form of Fiera Sceptre dated December 15, 2011 for the financial year ended September 30, 2011 (the "2011 AIF").

The preceding list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to Fiera Sceptre and its Shares, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Fiera Sceptre does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf except as required by law. Forward-looking information in this document is based on Fiera Sceptre's views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing this Circular.

Additional information relating to Fiera Sceptre, including the 2011 AIF, can be located on the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.

DOCUMENTS INCORPORATED BY REFERENCE

The following publicly filed documents of Fiera Sceptre are incorporated by reference in, and form part of, this Circular:

- (a) the 2011 AIF;
- (b) the audited financial statements of Fiera Sceptre as at and for the years ended September 30, 2011 and September 30, 2010, together with the auditors' report thereon and management's discussion and analysis filed in connection with those audited financial statements;
- (c) the management information circular of Fiera Sceptre dated February 7, 2011 in respect of the annual meeting of Fiera Sceptre's shareholders held on March 22, 2011; and
- (d) the material change report of Fiera Sceptre dated March 1, 2012.

Any documents of Fiera Sceptre required to be incorporated by reference in a short form prospectus, including any material change reports (excluding confidential reports) filed by Fiera Sceptre with any securities regulatory authority in any province or territory of Canada on or after the date of this Circular and prior to the Meeting, will be deemed to be incorporated by reference into this Circular. Copies of these documents and all the

other public filings of Fiera Sceptre may be obtained at www.sedar.com or upon request and without charge from Ms. Violaine Des Roches, Corporate Secretary, Fiera Sceptre Inc., 1501 McGill College Avenue, Suite 800, Montreal, Québec, H3A 3M8, facsimile (514) 954-0602.

Any statement contained in this Circular or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

VOTING INFORMATION AND GENERAL PROXY MATTERS

Persons Making the Solicitation

This Circular is being furnished to Shareholders of Fiera Sceptre in connection with the solicitation of proxies by and on behalf of management of Fiera Sceptre for use at the Meeting to be held at the Centre Mont-Royal, 2200 Mansfield Street, Montreal, Québec, on Thursday, March 29, 2012, at 9:00 a.m. (Montreal time) and any adjournment or postponement thereof. Proxies are solicited primarily by mail. However, proxies may also be solicited by other means of communication or directly by officers or employees of Fiera Sceptre, but without additional compensation. Fiera Sceptre will bear the cost of the solicitation.

Proxy Instructions and Revocability of Proxy

Accompanying this Circular is a form of proxy for use at the Meeting. If you are unable to attend the Meeting in person, please exercise your right to vote by completing the enclosed form of proxy and returning it to the Computershare Investor Services Inc. (the “**Transfer Agent**”) at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1. A form of proxy must be received by the Transfer Agent at or prior to 9:00 a.m. (Toronto time) on Tuesday, March 27, 2012, or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to any such adjourned Meeting. Failure to so deposit a form of proxy will result in its invalidation.

The persons named in the enclosed form of proxy are directors and/or officers of Fiera Sceptre. **A Shareholder wishing to appoint a person (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the accompanying form of proxy may do so either by inserting such person’s name in the blank space provided in the appropriate form of proxy or by completing another form of proxy and in either case sending or delivering the properly completed and signed form of proxy to the Transfer Agent prior to 9:00 a.m. (Toronto time) on Tuesday, March 27, 2012, or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to any such adjourned Meeting.**

The form of proxy must be executed by the Shareholder or the Shareholder’s attorney authorized in writing, or if the Shareholder is a corporation, the form of proxy should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. A proxy signed by a person acting as attorney or in some other representative capacity should reflect such person’s capacity following such person’s signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with Fiera Sceptre).

On any ballot that may be called for at the Meeting, the persons named in the accompanying form of proxy will vote the Shares in respect of which they are appointed in accordance with the direction of the Shareholder

appointing them and, if the Shareholder specifies a choice with respect to any matter to be acted upon on which the holders of such Shares are entitled to vote, the Shares will be voted accordingly. **In the absence of such direction, such Shares will be voted “FOR” in respect of all matters described herein.** The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of the matters identified in the Notice of Meeting accompanying this Circular and with respect to other matters that may properly be brought before the Meeting.

A Shareholder who has given a form of proxy may revoke it prior to a vote being cast pursuant to its authority by an instrument in writing executed by such Shareholder or by such Shareholder’s attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized and deposited either with the Secretary of Fiera Sceptre at the head office of Fiera Sceptre, 1501 McGill College Avenue, Suite 800, Montreal, Québec, H3A 3M8, or at the above-mentioned office of the Transfer Agent on or before the last Business Day preceding the day of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

Advice to Non-Registered Shareholders (or Beneficial Shareholders)

The Notice of Meeting, the Circular and the form of proxy (collectively, the “**Meeting Materials**”) are being sent to both registered and non-registered owners of the Shares (“**Registered Shareholders**” and “**Non-Registered Shareholders**”, respectively). If you are a Non-Registered Shareholder, and Fiera Sceptre (or its agent) has sent these materials directly to you, your name and address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Shares on your behalf (the “**Intermediary**”).

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are Non-Registered Shareholders because the Shares they own are not registered in their names but are instead registered in the name of the Intermediary through which they purchased the Shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of a broker, custodian, nominee or other Intermediary that the Non-Registered Shareholder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIAs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing & Depository Services Inc.) of which the broker, custodian, nominee or other Intermediary is a participant. In accordance with applicable securities law requirements, Fiera Sceptre will have distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either: (i) be given a voting instruction form which is not signed by the broker, custodian, nominee or other Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the broker, custodian, nominee or other Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the broker, custodian, nominee or other Intermediary must follow (Non-Registered Shareholders should follow carefully the instructions provided in the voting instruction form by using one of the described methods provided to vote their Shares); or (ii) be given a form of proxy which has already been signed by the broker, custodian, nominee or other Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the broker, custodian, nominee or other Intermediary. Because the broker, custodian, nominee or other Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Transfer Agent at the address and prior to the date and time set forth under the heading “*Proxy Instructions on Revocability of Proxy*” in this Circular.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms

wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should, in the case of a form of proxy, strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person's name in the blank space provided, or in the case of a voting instruction form, follow the instructions provided by his or her broker, custodian, nominee or other Intermediary or its service company, as the case may be. In either case, a Non-Registered Shareholder should carefully follow the instructions of his or her broker, custodian, nominee or other Intermediary or its service company, as the case may be, including those regarding when and where the proxy or voting instruction form is to be delivered.

A Non-Registered Shareholder who wishes to revoke a waiver of the right to receive Meeting Materials and to vote his or her Shares, change his or her vote or revoke a voting instruction form must, in sufficient time in advance of the Meeting, provide written notice to his or her broker, custodian, nominee or other Intermediary or its service company, as the case may be, and follow the instructions provided by such broker, custodian, nominee or other Intermediary or service company.

Voting Securities and Principal Holders of Voting Securities

As of February 24, 2012, there were 15,399,235 Class A Subordinate Voting Shares and 21,207,964 Class B Special Voting Shares issued and outstanding.

Class A Subordinate Voting Shares and Class B Special Voting Shares each carry one vote per share for all matters other than the election of Fiera Sceptre's board of directors (the "**Board of Directors**"). With respect to the election of directors, the holders of Class A Subordinate Voting Shares are entitled, voting separately as a class, to elect one-third (rounded up to the nearest whole number) of the members of the Board of Directors (the "**Class A Directors**"), while holders of Class B Special Voting Shares are entitled, voting separately as a class, to elect two-thirds (rounded down to the nearest whole number) of the members of the Board of Directors (the "**Class B Directors**"). Both classes of directors shall serve the same term of office and shall be equal in all respects.

As at February 24, 2012, Fiera Capital L.P. ("**Fiera LP**") is the only holder of Class B Special Voting Shares. Fiera Capital Inc. ("**Fiera Capital**"), as general partner of Fiera LP, determines how the Class B Special Voting Shares owned by Fiera LP will be voted. As at February 24, 2012 (i) Arvestia Inc. ("**Arvestia**"), which is controlled by DJM Capital Inc. ("**DJM**"), a company indirectly controlled by Jean-Guy Desjardins, owns approximately 70.5% of the issued and outstanding shares of Fiera Capital; and (ii) Desjardins Société financière inc. ("**DSF**") owns approximately 29.5% of the issued and outstanding shares of Fiera Capital. DSF is an indirect wholly-owned subsidiary of Fédération des caisses Desjardins du Québec ("**Desjardins**"). Pursuant to a unanimous shareholders' agreement of Fiera Capital, as long as it holds directly or indirectly at least 15% of the Shares of Fiera Sceptre, DSF shall be entitled to appoint two of the six directors of Fiera Sceptre that the holders of Class B Special Voting Shares are currently entitled to elect. If DSF holds directly or indirectly more than 5% but less than 15% of the Shares of Fiera Sceptre, it shall be entitled to appoint one of the six directors of Fiera Sceptre that the holders of Class B Special Voting Shares are currently entitled to elect.

The Class A Subordinate Voting Shares are "restricted securities" within the meaning of relevant Canadian regulations respecting securities in that they do not carry equal voting rights as those attached to the Class B Special Voting Shares with respect to the election of directors. Prior to the Class B Termination Date (as defined below), the Class B Special Voting Shares are convertible into Class A Subordinate Voting Shares on a one-for-one basis, at the option of the holder. A Class B Special Voting Share will be automatically converted into one Class A Subordinate Voting Share when such Class B Special Voting Share is sold, assigned or transferred by Fiera LP to any person. On the 20th day following the Class B Termination Date, all outstanding Class B Special Voting Shares will be converted into Class A Subordinate Voting Shares (and the name of the Class A Subordinate Voting Shares will change to common shares). In the aggregate, the voting rights associated with the Class B Special Voting Shares represented, on February 24, 2012, 58.2% of the voting rights attached to all of the issued and outstanding voting securities of Fiera Sceptre.

The “**Class B Termination Date**” means the earlier of the following dates:

- (a) the date that is 90 days after the date Fiera LP ceases to own and control a number of Class B Special Voting Shares and Class A Subordinate Voting Shares acquired as a result of the exercise by Fiera LP of its rights under the investor agreement dated September 1, 2010 between Fiera Capital and Fiera Sceptre that is at least 20% of the total number (rounded down to the nearest whole number) of issued and outstanding Class A Subordinate Voting Shares and Class B Special Voting Shares in circumstances where Fiera LP has not, during such 90 day period, acquired a sufficient number of Class A Subordinate Voting Shares or additional Class B Special Voting Shares such that the total number of (x) Class A Subordinate Voting Shares acquired by Fiera LP during such 90 day period, (y) Class A Subordinate Voting Shares acquired as a result of the exercise by Fiera LP of its rights under the Investor Agreement, and (z) Class B Special Voting Shares owned and controlled by Fiera LP is at least 20% of the total number (rounded down to the nearest whole number) of Class A Subordinate Voting Shares and Class B Special Voting Shares that are issued and outstanding at the applicable time; and
- (b) the date that any person who is not (i) an employee, officer or director of Fiera Sceptre; (ii) Jean-Guy Desjardins; or (iii) DSF or any other subsidiary corporation or other entity that is wholly-owned, directly or indirectly, by Fédération des caisses Desjardins du Québec, where DSF or such other subsidiary corporation or other entity acquires, directly or indirectly, control of Fiera LP, in each case pursuant to the Fiera Shareholders Agreement (as defined below), after the death of Jean-Guy Desjardins or as a result of the exercise by DSF or such other subsidiary corporation or other entity of its rights to acquire a direct or indirect interest in Fiera LP, (any such person, a “**Manager**”), or who is not a Permitted Transferee (as defined below) of a Manager, acquires control of Fiera LP; for purposes hereof, an acquisition of control of Fiera LP will occur if a person, other than a Manager or a Permitted Transferee of a Manager, acting alone or jointly in concert with others, (x) acquires, directly or indirectly, beneficial ownership of, or control or direction over, equity or voting interests in Fiera LP which, together with any voting interests beneficially owned or controlled by such person prior to such date, represent 50% or more of the issued and outstanding equity or voting interests of Fiera LP, or (y) otherwise acquires, directly or indirectly, whether by contract or otherwise, the right to control the affairs of Fiera LP.

The term “**Fiera Shareholders Agreement**” means the agreement between, *inter alia*, Arvestia and DSF (or any other subsidiary corporation or other entity that is wholly-owned, directly or indirectly, by Fédération des caisses Desjardins du Québec) which deals with, *inter alia*, the direct or indirect interests of such parties in Fiera Capital or Fiera LP, as such agreement may be amended, supplemented, replaced, restated, or otherwise modified from time to time. The term “**Permitted Transferee**” means (i) a corporation controlled by the Manager; (ii) a trust of which the Manager is a trustee that has been established for the benefit of the Manager and/or one or more members of the Manager’s immediate family; or (iii) in the event of the death of a Manager, the Manager’s estate, provided, however, that such estate will be a Permitted Transferee only for the period during which such estate is permitted to hold such equity or voting interests under the limited partnership agreement among the limited partners or under any replacement agreement entered into as part of an Internal Reorganization. The term “**Internal Reorganization**” means any dissolution, amalgamation, share exchange, rollover, reorganization or other similar transaction that does not result in a change in persons who ultimately, directly or indirectly, own and control the Class B Special Voting Shares.

On September 1, 2010, upon closing of the Arrangement (as defined below) involving Sceptre Investment Counsel Limited (“**Sceptre**”) and Fiera Capital, Fiera Sceptre, Computershare Trust Company of Canada, as trustee for the benefit of holders of Class A Subordinate Voting Shares, and certain persons with direct and indirect interests in Class B Special Voting Shares, entered into a coattail agreement (the “**Coattail Agreement**”). The Coattail Agreement contains provisions having the effect of preventing transactions that otherwise would deprive the holders of Class A Subordinate Voting Shares of rights under applicable provincial take-over bid legislation to which they would have been entitled if the Class B Special Voting Shares had been Class A Subordinate Voting Shares.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting has been fixed at the close of business on February 23, 2012. Fiera Sceptre will prepare a list of holders of

Shares as of the close of business on such record date. Each holder of Shares named in the list will be entitled to vote the Shares shown opposite such holder's name on the list at the Meeting. All such holders of Shares of record are entitled either to attend and vote thereat in person the respective Shares held by them or, provided a completed and executed proxy which will have been delivered to the Transfer Agent at the address and prior to the date and time set forth under "*Proxy Instructions on Revocability of Proxy*" in this Circular, to attend and vote thereat by proxy the respective Shares held by them.

To the knowledge of the directors and executive officers of Fiera Sceptre, the only persons or companies which, as of February 24, 2012, beneficially own, directly or indirectly, or control or direct voting securities of Fiera Sceptre carrying more than 10% of the voting rights attached to the voting securities of Fiera Sceptre are as follows:

Name	Number of Class A Subordinate Voting Shares	Percentage of Class A Subordinate Voting Shares	Number of Class B Special Voting Shares	Percentage of Class B Special Voting Shares	Percentage of Issued and Outstanding Shares
Fiera Capital LP ⁽¹⁾	60,000	0.39%	21,207,964	100%	58.2%
Cambridge Advisors, a business unit of CI Global Holdings Inc. ⁽²⁾	2,816,112	18.28%	-	-	7.7%
Goodman & Company, Investment Counsel Ltd. ⁽²⁾	1,770,572	11.49%	-	-	4.8%
CIBC Global Asset Management Inc. ⁽²⁾	1,675,990	10.88%	-	-	4.6%

Notes:

⁽¹⁾ Fiera Capital, as general partner of Fiera LP, determines how the Class B Special Voting Shares owned by Fiera LP will be voted. On February 24, 2012 (i) Arvestia, which is controlled by DJM, a company indirectly controlled by Jean-Guy Desjardins, owns approximately 70.5% of the issued and outstanding shares of Fiera Capital; and (ii) DSF owns approximately 29.5% of the issued and outstanding shares of Fiera Capital (on a fully diluted basis, Arvestia indirectly owns 15,700,215 Class B Special Voting Shares (71.48% of the class) and DSF indirectly owns 6,257,960 Class B Special Voting Shares (28.52% of the class).

⁽²⁾ Figures based on representations provided by the securityholders in voting support agreements dated as of February 24, 2012. See "*The Acquisition - Voting Support Agreements*".

INFORMATION CONCERNING FIERA SCEPTRE

Overview

Fiera Sceptre is a corporation incorporated under the *Business Corporations Act* (Ontario) (the "**OBCA**") and a reporting issuer in the Provinces of British Columbia, Alberta, Ontario and Québec. Fiera Sceptre is an independent, full-service, multi-product investment firm, providing investment advisory and related services, with approximately \$29 billion in assets under management ("**AUM**"). Fiera Sceptre offers multi-style investment solutions through diversified investment strategies to institutional investors, private wealth clients and retail investors. In addition to managing its clients' accounts on a segregated basis ("**Managed Accounts**"), Fiera Sceptre uses approximately 34 pooled funds and sections thereof to manage specialized asset classes and to combine the assets of smaller clients for investment efficiencies (the "**Pooled Funds**"). To provide retail investors with access to its investment management services, Fiera Sceptre also sponsors two families of mutual funds: the Fiera Sceptre Mutual Funds and the Fiera Sceptre Private Mutual Funds (the "**Mutual Funds**" and, collectively with the Pooled Funds, the "**Funds**"). Fiera Sceptre is the manager of all of the Funds.

Units of the Mutual Funds are distributed through Fiera Sceptre Funds Inc. ("**FSFI**"), Fiera Sceptre's wholly owned subsidiary. FSFI is a member of the Mutual Fund Dealers Association of Canada and is registered in the category of mutual fund dealer in the Provinces of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Québec and New Brunswick. There are approximately 19,000 holders of units of the Mutual Funds.

Fiera Sceptre is registered in the categories of exempt market dealer and portfolio manager in all Provinces and Territories of Canada and as an investment adviser with the U.S. Securities and Exchange Commission. Fiera Sceptre is also registered in the category of investment fund manager in the Provinces of Ontario and Québec. In addition, as Fiera Sceptre manages derivatives portfolios, it is registered as commodity trading manager pursuant to the *Commodity Futures Act* (Ontario), as an adviser under the *Commodity Futures Act* (Manitoba) and, in Québec, as derivatives portfolio manager pursuant to the *Derivatives Act* (Québec).

Fiera Sceptre was incorporated as Fry & Company (Investment Management) Limited under the laws of the Province of Ontario by letters patent dated November 22, 1955. On February 19, 1962 the name was changed to Fry Investment Management Limited and a Certificate of Amendment effective November 12, 1971 changed the name to Sceptre. Sceptre's articles were amended effective June 16, 1986, June 18, 1986, July 22, 1986 and May 17, 1990 to create and permit the issuance to the public of class A non-voting shares. The articles of Sceptre were amended on May 22, 1997 to increase the authorized number of common shares and to divide the issued and outstanding capital on the basis of five shares for one share. The articles of Sceptre were further amended on August 29, 2003 to authorize an unlimited number of common shares, to reclassify each issued and outstanding class A non-voting share as one common share, to cancel the authorized but unissued class A non-voting shares, to delete the share conditions attaching to the common shares and the class A non-voting shares and to declare that going forward, the authorized capital of Sceptre would consist of an unlimited number of common shares.

On August 27, 2010, the Ontario Superior Court of Justice approved an arrangement pursuant to Section 182 of the *Business Corporations Act* (Ontario) involving Sceptre and Fiera Capital, a private company, and pursuant to which their businesses were combined (the "**Arrangement**"). As part of the Arrangement, which closed on September 1, 2010, the articles of Sceptre were amended to change its name to Fiera Sceptre Inc., to cancel the common shares as a class of shares authorized to be issued, to create the Class A Subordinate Voting Shares and the Class B Special Voting Shares and to change the number of directors to nine (the "**Articles**").

Under an agreement between Fiera Sceptre and a corporation controlled by Jean-Guy Desjardins, Fiera Sceptre was granted a license to use the name "Fiera". Such license was granted in consideration for a nominal amount and is renewable annually.

Description of Capital Structure

Fiera Sceptre is authorized to issue an unlimited number of Class A Subordinate Voting Shares and an unlimited number of Class B Special Voting Shares. The Class B Special Voting Shares may not be issued to any person other than Fiera LP.

Except as described below, the Class A Subordinate Voting Shares and the Class B Special Voting Shares have the same rights, are equal in all respects and are treated as if they were shares of one class only.

Rank

The Class A Subordinate Voting Shares and Class B Special Voting Shares rank equally with respect to the payment of dividends, return of capital and distribution of assets in the event of the liquidation, dissolution or winding up of Fiera Sceptre.

Dividends

The holders of outstanding Class A Subordinate Voting Shares and Class B Special Voting Shares are entitled to receive dividends out of assets legally available at such times and in such amounts and form as the Board of Directors may from time to time determine without preference or distinction between Class A Subordinate Voting Shares and Class B Special Voting Shares.

Voting Rights

Class A Subordinate Voting Shares and Class B Special Voting Shares each carry one vote per share for all matters other than the election of directors. With respect to the election of directors, holders of Class A Subordinate Voting Shares are entitled, voting separately as a class, to elect one-third (rounded up to the nearest whole number) of the members of the Board of Directors, while holders of Class B Special Voting Shares are entitled, voting separately as a class, to elect two-thirds (rounded down to the nearest whole number) of the members of the Board of Directors.

Conversion

The Class A Subordinate Voting Shares cannot be converted into any other class of Shares. Prior to the Class B Termination Date, Class B Special Voting Shares are convertible into Class A Subordinate Voting Shares on a one-for-one basis at any time and from time to time, at the option of the holder.

A Class B Special Voting Share will be automatically converted into one Class A Subordinate Voting Share when such Class B Special Voting Share is sold, assigned or transferred by Fiera LP to any person (other than as part of an internal reorganization). On the 20th day following the Class B Termination Date, all outstanding Class B Special Voting Shares will be converted into Class A Subordinate Voting Shares. On the 20th day following the occurrence of a Class B Termination Date, the name of the Class A Subordinate Voting Shares will be changed to common shares.

Prior Sales

The information set out below is in respect of the issuances by Fiera Sceptre of Shares and stock options (“Options”) for the 12-month period before the date of this Circular.

Date	Security	Price per Security (Cdn.\$)	Number of Securities
February 2011	-	-	-
March 2011	Class A Subordinate Voting Shares ⁽¹⁾	3.67 to 5.47	16,640
April 2011	Class A Subordinate Voting Shares ⁽¹⁾	5.47 to 6.26	14,000
May 2011	-	-	-
June 2011	Class A Subordinate Voting Shares ⁽¹⁾	5.47 to 5.87	28,000
July 2011	-	-	-
August 2011	-	-	-
September 2011	-	-	-
October 2011	-	-	-
November 2011	-	-	-
December 2011	-	-	-
January 2012	-	-	-

Note:

⁽¹⁾ Issued upon exercise of stock options.

Price Range and Trading Volume of Fiera Sceptre Shares

The table below shows, for each month of the 12-month period before the date of this Circular, the price ranges and volume of trading of the Class A Subordinate Voting Shares of Fiera Sceptre, which are listed on the Toronto Stock Exchange (the “TSX”) under the symbol “FSZ”.

Month	High (\$)	Low (\$)	Close (\$)	Volume (# of Shares)
February 2011	\$8.25	\$7.90	\$8.24	104,035
March 2011	\$8.50	\$7.76	\$8.22	232,458
April 2011	\$8.50	\$8.19	\$8.30	51,694
May 2011	\$8.30	\$8.11	\$8.25	98,708
June 2011	\$8.33	\$6.72	\$7.25	138,044
July 2011	\$8.00	\$7.30	\$7.90	45,048
August 2011	\$7.86	\$6.55	\$6.88	58,150
September 2011	\$6.85	\$5.75	\$6.34	41,615
October 2011	\$6.40	\$5.66	\$6.05	48,158
November 2011	\$6.05	\$5.20	\$5.70	70,798
December 2011	\$6.45	\$5.61	\$6.29	74,601
January 2012	\$6.74	\$6.25	\$6.65	34,034

Source:

⁽¹⁾ TMX Market Data.

Consolidated Capitalization

The following table sets forth the consolidated capitalization of Fiera Sceptre as at September 30, 2011, adjusted to give effect to any material changes in the share capital of Fiera Sceptre since September 30, 2011, the date of Fiera Sceptre's most recent audited consolidated financial statements, and further adjusted to give effect to the Circular. The table should be read in conjunction with audited consolidated financial statements of Fiera Sceptre for the years ended September 30, 2011 and September 2010, including the notes thereto, and management's discussion and analysis thereof and the other financial information contained in or incorporated by reference in this Circular.

<u>Capital</u>	<u>Authorized</u>	<u>Outstanding as at September 30, 2011</u>	<u>Outstanding as at September 30, 2011 After Giving Effect to the Acquisition</u>
Operating Facility.....	\$6,500,000 ⁽¹⁾	-	-
Term Facility.....	-	-	\$97,195,000
Share Capital.....	Unlimited Shares	36,607,199	56,301,769

Note:

⁽¹⁾ Refers to amounts available or outstanding, as applicable, pursuant to the bank facilities available to Fiera Sceptre.

Outstanding Options of Fiera

The following table sets forth details regarding the Options of Fiera Sceptre outstanding as at the date of this Circular.

<u>Group</u>	<u>Number of options</u>	<u>Securities under option</u>	<u>Grant date</u>	<u>Expiry date</u>	<u>Exercise price per Share</u>
All executive officers and past executive officers of Fiera Sceptre.....	544,881	Class A Subordinate Voting Shares	October 1, 2009 to December 8, 2010	September 30, 2019 to December 7, 2020	\$3.67 to \$8.50
All directors and past directors of Fiera Sceptre (other than executive officers)	-	-	-	-	-
All other employees and past employees of Fiera Sceptre	1,069,191	Class A Subordinate Voting Shares	January 15, 2009 to December 8, 2010	January 15, 2014 to December 7, 2020	\$3.67 to \$8.50
Total.....	1,614,072				

BUSINESS OF THE MEETING

Financial Statements and Independent Auditors' Report

The consolidated financial statements and the auditors' report thereon, for the financial year ended September 30, 2011, have been sent to all Shareholders who requested them and are available under Fiera Sceptre's SEDAR profile at www.sedar.com. A presentation will also be made to the Shareholders at the Meeting, but no vote is required thereon.

Approval of the Share Issuance Resolution

At the Meeting, the Independent Class A Shareholders (as defined below) will be asked to consider and vote on an ordinary resolution (the "**Share Issuance Resolution**") approving the issuance of:

- (i) the Consideration Shares to be issued at the closing of the Acquisition, which is currently expected to occur on or prior to April 30, 2012 (the "**Closing**"); and
- (ii) that number of additional Class A Subordinate Voting Shares (issuable as consideration under the Purchase Price provisions of the Acquisition Agreement and/or upon the exercise of the NBC Options) which is equal to 2.5% of the total number of Shares (non-diluted) that are to be issued

and outstanding on each of two specified dates (in 2013 and 2014) following the issuance of such additional Class A Subordinate Voting Shares (or 5% in the aggregate) (the “**Additional NBC Shares**” and together with the Consideration Shares, the “**Transaction Shares**”). See “*The Acquisition – Acquisition Agreement – Purchase Price*”, and “*The Acquisition – Material Contracts Related to the Acquisition – Investor Rights Agreement*”

Pursuant to Section 611 of the TSX Company Manual, securityholder approval is required in those instances where the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the closing of the transaction. The Acquisition, if completed, will result in National Bank indirectly acquiring the Consideration Shares, which will represent 35% of the total number of Shares that are issued and outstanding immediately after the Closing Time (and approximately 53.9% of the total number of Shares that are issued and outstanding on the date hereof) and having certain rights to acquire the Additional NBC Shares. See “*The Acquisition*”. In addition, pursuant to Section 604 of the TSX Company Manual, securityholder approval will generally be required if, in the opinion of the TSX, the transaction materially affects control of the listed issuer. Application has been made to the TSX for its approval regarding the listing of the Transaction Shares, including the Additional NBC Shares (in the case of the Additional NBC Shares, without the need to seek securityholder approval at the time any such Shares are issued on the basis that such securityholder approval is being sought at the Meeting). Although no assurance can be provided, management of Fiera Sceptre expects that such approval will be granted, subject to the approval of the issuance of the Transaction Shares (including the Additional NBC Shares) by a majority of the votes cast at the Meeting by the Independent Class A Shareholders (as defined below), in person or by proxy, and other requirements customary of an approval of this nature.

To be effective, the Share Issuance Resolution must be approved by at least a simple majority of the votes cast by holders of the Class A Subordinate Voting Shares present (in person or by proxy) and entitled to vote at the Meeting, excluding votes attaching to the (i) 60,000 Class A Subordinate Voting Shares indirectly held by Fiera LP; and (ii) 833,333 Class A Subordinate Voting Shares held by Libermont Inc. In addition, any votes attaching to any Class A Subordinate Voting Shares held by any person who is an “insider” (as defined for purposes of the TSX Company Manual) of Fiera Sceptre and owns an interest in Arvestia are also to be excluded from such vote. To the knowledge of Fiera Sceptre, no such insider currently holds any Class A Subordinate Voting Shares. The holders of Class A Subordinate Voting Shares, other than the holders described above whose Class A Subordinate Voting Shares are to be excluded from the vote, are collectively referred to as the “**Independent Class A Shareholders**”. See “*The Acquisition – Material Contracts Related to the Acquisition – Principal Investors Agreement and Voting Arrangements/Put Option Agreements*”. The full text of the Share Issuance Resolution that the Independent Class A Shareholders will be asked to approve at the Meeting is set forth in Appendix “B” to this Circular.

Three large institutional Shareholders holding 6.3 million Class A Subordinate Voting Shares, or approximately 40% of the issued and outstanding Class A Subordinate Voting Shares, have entered into voting support agreements with the Corporation under which they agreed to vote in favour of the transactions contemplated in connection with the Acquisition, subject to certain customary rights of termination in respect of such agreements. See “*The Acquisition – Voting Support Agreements*”.

The Acquisition cannot be completed unless the Share Issuance Resolution is duly approved by the Independent Class A Shareholders at the Meeting.

The Board of Directors believes that the Acquisition is fair to and is in the best interests of the Corporation and recommends that the Independent Class A Shareholders vote in favour of the Share Issuance Resolution. It is the intention of the Corporation’s management designees named in the accompanying Form of Proxy to vote “FOR” the Share Issuance Resolution unless an Independent Class A Shareholder has specified in its proxy that its Class A Subordinate Voting Shares are to be voted against the foregoing resolution.

Amendment to the Corporation’s Articles

The Articles of the Corporation currently provide that the maximum size of the Board of Directors be set at nine directors. If the Independent Class A Shareholders approve the Share Issuance Resolution, the Shareholders

will be asked at the Meeting to approve a special resolution authorizing the amendment of the Corporation's Articles to increase the maximum size of the Board of Directors from nine to 12 directors (the "**Board Expansion Resolution**"). If the Acquisition is not completed, management will not proceed to implement any increase in the size of the Board of Directors.

The full text of the Board Expansion Resolution that Shareholders will be asked to approve at the Meeting is set forth in Appendix "C" to this Circular. To be effective, the Board Expansion Resolution must be approved by at least two-thirds of the votes cast by Shareholders, voting together, in person or by proxy at the Meeting. **The Acquisition cannot be completed unless the Board Expansion Resolution is duly approved by the Shareholders at the Meeting.**

In addition, Shareholders will be asked at the Meeting to approve a special resolution authorizing the amendment to the Corporation's Articles (the "**Name Change Resolution**") to change the name of the Corporation from "Fiera Sceptre Inc." to "Fiera Capital Ltd./Fiera Capital Ltée", or to such other name as the Board of Directors deems appropriate and as may be approved by the regulatory authorities, including the TSX.

The Board of Directors may determine not to implement the Name Change Resolution at any time after the Meeting and after receipt of necessary regulatory approvals, but prior to the issuance of a certificate of amendment, without further action on the part of the Shareholders.

The full text of the Name Change Resolution that Shareholders will be asked to approve at the Meeting is set forth in Appendix "D" to this Circular. To be effective, the Name Change Resolution must be approved by at least two-thirds of the votes cast by Shareholders, voting together, in person or by proxy at the Meeting.

The Board of Directors believes that it is in the best interests of the Corporation and its Shareholders to approve the Board Expansion Resolution and the Name Change Resolution. It is the intention of the Corporation's management designees named in the accompanying Form of Proxy to vote "FOR" the Board Expansion Resolution and the Name Change Resolution unless a Shareholder has specified in its proxy that its Shares are to be voted against the foregoing resolutions.

Election of Directors

Two Slates of Directors

The Articles of Fiera Sceptre currently provide that the Board of Directors will have nine members and that the holders of Class A Subordinate Voting Shares and the holders of Class B Special Voting Shares are entitled, voting separately as a class, to elect one-third (rounded up to the nearest whole number) and two-thirds (rounded down to the nearest whole number), respectively, of the members of the Board of Directors. However, if the Share Issuance Resolution and the Board Expansion Resolution are approved at the Meeting and the Acquisition is completed it will be necessary and desirable to increase the size of the Board of Directors from nine directors to 12 and to elect three additional members (the "**Acquisition Nominees**") to the expanded Board of Directors. At the time of the Meeting, the Acquisition will not yet have been completed and there can be no assurance at that time that it will be completed.

As a result, at the Meeting it is proposed that Shareholders elect two slates of directors since, as at the date hereof, it is uncertain whether the Acquisition will be completed. The first slate of directors is comprised of the nine incumbent nominee directors (the "**Incumbent Board**") of Fiera Sceptre listed below who will continue in office immediately after the Meeting, provided that their nomination is approved by the Shareholders, and who will serve until, and be replaced by the second slate of directors, subject to the completion of the Acquisition, at which time the terms of the Incumbent Board will expire and the election of the slate of directors comprised of the Incumbent Board and the Acquisition Nominees listed below (the "**Post-Acquisition Board**") will become effective, provided that Shareholders elect the Post-Acquisition Board and approve the Board Expansion Resolution at the Meeting.

In the event the Acquisition is not completed, the Post-Acquisition Board will not be effective and each member of the Incumbent Board will continue to serve until the term of office of each such director expires upon the

next annual election of directors or the election of his or her successor unless he or she resigns from office or his or her office becomes vacant by death, removal of other cause.

For purposes of electing the two different slates of directors, separate votes will be held at the Meeting for the Incumbent Board and the Post-Acquisition Board pursuant to which the holders of Class A Subordinate Voting Shares will be entitled to vote in respect of the election of the “Class A Directors”, and the holders of Class B Special Voting Shares will be entitled to vote in respect of the election of the “Class B Directors”. It is not contemplated that any of the nominees will be unable to serve as director, or for any reason will become unwilling, but if that should occur for any reason prior to the election, the persons named in the enclosed proxy reserve the right to vote in their discretion for other nominees, unless the Shareholder has specified that his, her or its Shares are to be withheld from voting on the election of directors.

See below for detailed information on the Incumbent Board and the Post-Acquisition Board under the corresponding headings. The tables set forth below provide the name and municipality of residence of each of the incumbent nominees and the Acquisition Nominees proposed to be nominated at the Meeting for election as a director of the Corporation, and, where applicable, each individual’s position within Fiera Sceptre, their period of service as director (where applicable), information relating to committee membership, independence, meeting attendance during the past financial year, principal occupation within the five preceding years, board membership of other publically traded companies, and the number of securities of Fiera Sceptre beneficially owned or controlled, directly or indirectly, by each such individual.

Except where authority to vote on the election of directors is withheld, the persons named in the accompanying form of proxy will vote “FOR” the election of all the nominees whose names are hereinafter set forth under the headings “Incumbent Board” and “Post-Acquisition Board”.

Incumbent Board

The following tables set forth the name and municipality of residence of each individual proposed to be nominated at the Meeting for election as a director of the Corporation as part of the Incumbent Board, as well as each individual’s position within Fiera Sceptre (where applicable), their period of service as director, information relating to committee membership, independence, meeting attendance during the past financial year, principal occupation within the five preceding years, board membership of other publically traded companies, and the number of securities of Fiera Sceptre beneficially owned or controlled, directly or indirectly, by each such individual.

CLASS A DIRECTORS

DAVID R. SHAW				
Toronto, Ontario, Canada Director since 2006 Independent Principal Occupation: Chief Executive Officer of Knightsbridge Human Capital Management Inc.		David Shaw is the Founder and CEO of Knightsbridge Human Capital Management Inc., a national human resource firm. Prior to founding Knightsbridge, Mr. Shaw was President and CEO of Pepsi Cola Canada Beverages from 1996 to the end of 1999. Mr. Shaw is the former Chairman of the North York General Hospital Foundation and member of the Hospital Board of Directors, and former Chairman of the Canadian Soft Drink Industry. In addition, he sits on the Queen's School of Business Advisory Board, The Junior Achievement of Canada Foundation Board, the Amrop Board and the board of Brick Brewing Co. Limited.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors (Lead Director)		6 of 7	86%	Brick Brewing Co. Limited
Governance Committee (Chair)		2 of 2	100%	
Human Resources Committee		5 of 6	83%	
Securities Held				
As at	Class A Subordinate Voting Shares	Class B Special Voting Shares	DSUs (#)	Total Shares and DSUs (#)
February 24, 2012	5,770	-	6,139	11,909
Options Held				
Date Granted	Number (#)	Exercise Price (\$)		Total Unexercised (#)
-	-	-		-

ARTHUR R.A. SCACE				
Toronto, Ontario, Canada Director since 1989 Independent Principal Occupation: Corporate Director		<i>Arthur R.A. Scace</i> is a former partner and Chairman of McCarthy Tétrault LLP, Barristers and Solicitors in Toronto. He is also a former Chairman of the Bank of Nova Scotia. He serves on the board of directors of a number of Canadian corporations.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors		5 of 7	71%	WestJet Airlines Limited; Nexen Inc.
Securities Held				
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>	<i>Total Shares and DSUs (#)</i>
February 24, 2012	8,255	-	6,139	14,394
Options Held				
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>		<i>Total Unexercised (#)</i>
-	-	-		-

W. ROSS WALKER				
Toronto, Ontario, Canada Director since 1997 Independent Principal Occupation: Corporate Director		W. Ross Walker is an FCA and the former Chairman and Chief Executive of KPMG Canada, a position he held from 1989 to 1993. From 1993 to 1996, Mr. Walker served as International Executive Partner of KPMG International. He was the Chairman of Sceptre from May 2003 to September 1, 2010.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors		7 of 7	100%	-
Audit Committee		6 of 6	100%	
Governance Committee		2 of 2	100%	
Securities Held				
As at	Class A Subordinate Voting Shares	Class B Special Voting Shares	DSUs (#)	Total Shares and DSUs (#)
February 24, 2012	12,885	-	18,420	31,305
Options Held				
Date Granted	Number (#)	Exercise Price (\$)		Total Unexercised (#)
-	-	-		-

CLASS B DIRECTORS

CHRISTIANE BERGEVIN ⁽¹⁾				
Montreal, Québec, Canada Director since September 1, 2010 Independent Principal Occupation: Executive Vice President, Strategic Partnerships, Office of the President, Desjardins Group		<i>Christiane Bergevin</i> is Executive Vice President, Strategic Partnerships, Office of the President, of Desjardins Group. Prior to that, she was Senior Vice President and General Manager, Corporate projects, with the SNC-Lavalin Group Inc. Ms. Bergevin has held several executive and international finance positions with various SNC-Lavalin subsidiaries, including as President of SNC-Lavalin Capital Inc. between 2001 and 2008. Ms. Bergevin is a member of the board of directors of Talisman Energy Inc. She is also a former member of the audit committee of the board of directors of Caisse de dépôt et placement du Québec. She is also the former chair of the Pension Funds Advisory Committee and a former member of the Risk Investment Committee and of the audit committee of the board of directors of the Business Development Bank of Canada.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors		6 of 7	86%	Talisman Energy Inc.
Audit Committee (Chair) ⁽²⁾		4 of 4	100%	
Securities Held				
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>	<i>Total Shares and DSUs (#)</i>
February 24, 2012	-	-	-	-
Options Held				
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>		<i>Total Unexercised (#)</i>
-	-	-		-

Notes:

⁽¹⁾ Appointee of DSF.

⁽²⁾ Appointed chair of the Audit Committee as at December 8, 2010.

DENIS BERTHIAUME ⁽¹⁾				
Montreal, Québec, Canada Director since December 8, 2010 Independent Principal Occupation: Senior Vice-President and General Manager, Wealth Management and Life and Health Insurance, of Desjardins Group		Denis Berthiaume is Senior Vice-President and General Manager, Wealth Management and Life and Health Insurance, of Desjardins Group. In this capacity, he is in charge of the activities of Desjardins Financial Security, Desjardins Securities, Disnat, and Desjardins Asset Management, all subsidiaries of Desjardins. His mandate consists of ensuring product development in the specialized savings and life and health insurance segments, and in supporting the integrated distribution of these products throughout the caisse network and other complementary networks. He also oversees the evolution of distribution models through the various channels and supports the rollout to the caisses of an integrated offer in wealth management and life and health insurance. During his career spanning 25 years, Mr. Berthiaume has occupied strategic functions that provided him with the opportunity to touch on most of the areas linked to life and health insurance and to specialized savings products.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors ⁽²⁾		3 of 5	60%	-
Human Resources Committee ⁽³⁾		4 of 4	100%	
Securities Held				
As at	Class A Subordinate Voting Shares	Class B Special Voting Shares	DSUs (#)	Total Shares and DSUs (#)
February 24, 2012	-	-	-	-
Options Held				
Date Granted	Number (#)	Exercise Price (\$)		Total Unexercised (#)
-	-	-		-

Notes:

⁽¹⁾ Appointee of DSF.

⁽²⁾ Appointed member of the Board of Directors as at December 8, 2010.

⁽³⁾ Appointed member of the Human Resources Committee as at December 8, 2010.

SYLVAIN BROUSSEAU				
Repentigny, Québec, Canada Director since September 1, 2010 Not Independent (Management) Principal Occupation: President and Chief Operating Officer of Fiera Sceptre		<i>Sylvain Brousseau</i> has over 19 years of experience in the investment management industry. Mr. Brousseau was President and Chief Operating Officer of Fiera Capital Inc. until the combination of its business with Sceptre in September 2010. Prior to joining Fiera Capital Inc., Mr. Brousseau served as Executive Vice President, Institutional Markets at TAL Global Asset Management Inc. and Executive Vice President at TAL International where he oversaw worldwide distribution and operations.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors		7 of 7	100%	-
Securities Held				
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>	<i>Total Shares and DSUs (#)</i>
February 24, 2012	-	- ⁽¹⁾	-	-
Options Held				
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>		<i>Total Unexercised (#)</i>
October 1, 2009	204,603	3.67		204,603

Note:

⁽¹⁾ Sylvain Brousseau indirectly owns approximately 5.21% of the outstanding voting and equity interest of Fiera LP, a controlling shareholder of Fiera Sceptre holding approximately 58.2% of the outstanding Shares of Fiera Sceptre. Following completion of the Acquisition, Fiera LP will hold approximately 37.7% of the Shares of Fiera Sceptre.

JEAN-GUY DESJARDINS				
Westmount, Québec, Canada Director since September 1, 2010 Not Independent (Management) Principal Occupation: Chairman of the Board of Directors, Chief Executive Officer and Chief Investment Officer of Fiera Sceptre		<i>Jean-Guy Desjardins</i> began his career at Sun Life Insurance Company as an analyst and portfolio manager. In 1972, Mr. Desjardins co-founded TAL Global Asset Management Inc. and was its principal shareholder until the business was purchased by Canadian Imperial Bank of Commerce. Mr. Desjardins subsequently acquired a portion of the assets of Elantis Investment Management Inc. to create Fiera Capital Inc. Mr. Desjardins was Chairman of the Board of Directors, Chief Executive Officer and Chief Investment Officer of Fiera Capital Inc. until the closing of the Arrangement.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors (Chairman)		7 of 7	100%	-
Securities Held				
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>	<i>Total Shares and DSUs (#)</i>
February 24, 2012	-	- ⁽¹⁾	-	-
Options Held				
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>		<i>Total Unexercised (#)</i>
December 8, 2010	250,000	8.50		250,000

Note:

⁽¹⁾ Jean-Guy Desjardins indirectly owns approximately 37.67% of the outstanding voting and equity interest of Fiera LP, a controlling shareholder of Fiera Sceptre holding approximately 58.2% of the outstanding Shares of Fiera Sceptre. Following completion of the Acquisition, Fiera LP will hold approximately 37.7% of the Shares of Fiera Sceptre.

JEAN C. MONTY			
Montreal, Québec, Canada Director since September 1, 2010 Independent Principal Occupation: Vice Chairman of Centria Inc. and Corporate Director		<i>Jean C. Monty</i> began his career at Bell Canada in 1974 and held numerous positions in the BCE group. He joined Nortel Networks Corporation in October 1992 as President and Chief Operating Officer before being nominated President and Chief Executive Officer in March 1993. On April 24, 2002, Mr. Monty, then Chairman of the Board and Chief Executive Officer of Bell Canada Enterprises (BCE Inc.), retired after a 28-year career. He is a member of the International Advisory Board of the École des Hautes Études Commerciales. He was appointed a member of the Order of Canada for his contribution to business, public interests and community affairs. In recognition of these achievements, he was elected Canada's Outstanding CEO of the Year for 1997. In addition, he was inducted into the Académie des Grands Montréalais.	
Board/Committee Membership		Attendance	
Board of Directors		5 of 7	71%
Audit Committee		5 of 6	83%
Governance Committee		2 of 2	100%
Human Resources Committee (Chair)		6 of 6	100%
		Public Company Board Memberships	
		Alcatel-Lucent SA	
		Bombardier Inc.	

JEAN C. MONTY (cont'd)				
Securities Held				
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>	<i>Total Shares and DSUs (#)</i>
February 24, 2012	833,333 ⁽¹⁾	- ⁽²⁾	-	833,333
Options Held				
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>	<i>Total Unexercised (#)</i>	<i>Value of Options Unexercised (\$)</i>
-	-	-	-	-

Notes:

⁽¹⁾ Held through LiberMont Capital Inc., a private company controlled by Mr. Monty.

⁽²⁾ Jean C. Monty indirectly owns approximately 9.42% of the outstanding voting and equity interest of Fiera LP, a controlling shareholder of Fiera Sceptre holding approximately 58.2% of the outstanding Shares of Fiera Sceptre. Following completion of the Acquisition, Fiera LP will hold approximately 37.7% of the Shares of Fiera Sceptre.

NEIL NISKER			
Toronto, Ontario, Canada Director since September 1, 2010 Not Independent (Management) Principal Occupation: Executive Vice-Chairman of Fiera Sceptre		Neil Nisker has over 38 years of experience in the financial services industry. He was Executive Vice Chairman of Fiera Capital Inc. until the combination of its business with Sceptre in September 2010. He joined Fiera Capital Inc. in 2006 as President, Private Wealth. From 1997 to 1999, Mr. Nisker was Chairman of Nisker Associates, Inc., a registered investment counselling firm, which was later purchased by YMG Capital Management Inc. Prior to that, Mr. Nisker was a fund manager of Best Investments International Inc., a global equity mutual fund managed by Sir John Templeton, and, prior to that, helped build Brown Baldwin Nisker (now HSBC Securities (Canada) Inc.).	
Board/Committee Membership		Attendance	
Board of Directors		7 of 7	100%
Governance Committee		2 of 2	100%
Public Company Board Memberships			
-			
Securities Held			
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>
February 24, 2012	-	- ⁽¹⁾	-
Options Held			
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>	<i>Total Unexercised (#)</i>
-	-	-	-

Note:

⁽¹⁾ Neil Nisker indirectly owns approximately 2.87% of the outstanding voting and equity interest of Fiera LP, a controlling shareholder of Fiera Sceptre holding approximately 58.2% of the outstanding Shares of Fiera Sceptre. Following completion of the Acquisition, Fiera LP will hold approximately 37.7% of the Shares of Fiera Sceptre.

Post-Acquisition Board

The following tables set forth the name and municipality of residence of each individual proposed to be nominated at the Meeting for election as a director of the Corporation as part of the Post-Acquisition Board, as well as, where applicable, each individual's position within Fiera Sceptre, their period of service as director, information relating to committee membership, independence, meeting attendance during the past financial year, principal occupation within the five preceding years, board membership of other publically traded companies, and the number of securities of Fiera Sceptre beneficially owned or controlled, directly or indirectly, by each such individual.

CLASS A DIRECTORS

LOUIS VACHON ⁽¹⁾				
Beaconsfield, Québec, Canada Principal Occupation: President and Chief Executive Officer of National Bank		<i>Louis Vachon</i> has been President and Chief Executive Officer of National Bank since June 2007. Mr. Vachon is responsible for the strategies, orientations and development of National Bank Financial Group. From August 2006 to May 2007, he held the position of Chief Operating Officer of National Bank responsible for all its operating units. Mr. Vachon was Chairman of the board of directors of Natcan from November 2004 to September 2006, and of National Bank Financial from January 2005 to September 2006. From September 2005 to September 2006, he also held the position of President and Chief Executive Officer of National Bank Financial Inc. In 1986, he joined Lévesque Beaubien Geoffrion Inc., now National Bank Financial Inc., where he served as Vice-President until 1990. From 1990 to 1996, he was employed by BT Bank of Canada, the Canadian subsidiary of Bankers Trust, where he served as President and Chief Executive Officer from 1994 to 1996. Mr. Vachon returned to National Bank in 1996, and, in 1997, he was appointed Senior Vice-President – Treasury and Financial Markets. Mr. Vachon is a member of the boards of directors of the following National Bank subsidiaries: National Bank Group Inc., National Bank Acquisition Holding Inc. and Natcan Acquisition Holdings Inc. He has served on the board of directors of the Canadian Council of Chief Executives since June 2009. Mr. Vachon has a Master's in International Finance from The Fletcher School. He also has a Bachelor's degree in Economics from Bates College, as well as being a chartered financial analyst. In 2001, he was also named one of Canada's Top 40 under 40 TM .		
Board/Committee Membership		Attendance		Public Company Board Memberships
-		-	-	-
Securities Held				
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>	<i>Total Shares and DSUs (#)</i>
February 24, 2012	-	-	-	-
Options Held				
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>		<i>Total Unexercised (#)</i>
-	-	-		-

Note:

⁽¹⁾ Appointee of National Bank.

LUC PAIEMENT ⁽¹⁾				
Beaconsfield, Québec, Canada Principal Occupation: Co-President and Co-Chief Executive Officer of National Bank Financial and Executive Vice-President – Wealth Management, National Bank		<i>Luc Paiement</i> was appointed Co-President and Co-Chief Executive Officer of National Bank Financial in September 2006 and Executive Vice-President – Wealth Management in September 2008. Mr. Paiement is responsible for all activities related to wealth management at National Bank and its subsidiaries. Mr. Paiement is Co-Chairman of the Board of National Bank Financial and Chairman of the Board of National Bank Direct Brokerage Inc., Innocap Investment Management Inc., Natcan and National Bank Trust Inc. During his career at National Bank Financial, which has spanned more than 30 years, Mr. Paiement has held various key positions in brokerage, institutional equities and corporate finance. Mr. Paiement has a Bachelor of Commerce from Concordia University and was recognized in 1999 in the prestigious Canada's Top 40 under 40 TM .		
Board/Committee Membership		Attendance		Public Company Board Memberships
-		-	-	-
Securities Held				
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>	<i>Total Shares and DSUs (#)</i>
February 24, 2012	-	-	-	-
Options Held				
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>		<i>Total Unexercised (#)</i>
-	-	-		-

Note:

⁽¹⁾ Appointee of National Bank.

DAVID R. SHAW				
Toronto, Ontario, Canada Director since 2006 Independent Principal Occupation: Chief Executive Officer of Knightsbridge Human Capital Management Inc.		David Shaw is the Founder and CEO of Knightsbridge Human Capital Management Inc., a national human resource firm. Prior to founding Knightsbridge, Mr. Shaw was President and CEO of Pepsi Cola Canada Beverages from 1996 to the end of 1999. Mr. Shaw is the former Chairman of the North York General Hospital Foundation and member of the Hospital Board of Directors, and former Chairman of the Canadian Soft Drink Industry. In addition, he sits on the Queen's School of Business Advisory Board, The Junior Achievement of Canada Foundation Board, the Amrop Board and the board of Brick Brewing Co. Limited.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors (Lead Director)		6 of 7	86%	Brick Brewing Co. Limited
Governance Committee (Chair)		2 of 2	100%	
Human Resources Committee		5 of 6	83%	
Securities Held				
As at	Class A Subordinate Voting Shares	Class B Special Voting Shares	DSUs (#)	Total Shares and DSUs (#)
February 24, 2012	5,770	-	6,139	11,909
Options Held				
Date Granted	Number (#)	Exercise Price (\$)		Total Unexercised (#)
-	-	-		-

ARTHUR R.A. SCACE				
Toronto, Ontario, Canada Director since 1989 Independent Principal Occupation: Corporate Director		<i>Arthur R.A. Scace</i> is a former partner and Chairman of McCarthy Tétrault LLP, Barristers and Solicitors in Toronto. He is also a former Chairman of the Bank of Nova Scotia. He serves on the board of directors of a number of Canadian corporations.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors		5 of 7	71%	WestJest Airlines Limited; Nexen Inc.
Securities Held				
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>	<i>Total Shares and DSUs (#)</i>
February 24, 2012	8,255	-	6,139	14,394
Options Held				
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>		<i>Total Unexercised (#)</i>
-	-	-		-

CLASS B DIRECTORS

CHRISTIANE BERGEVIN ⁽¹⁾				
Montreal, Québec, Canada Director since September 1, 2010 Independent Principal Occupation: Executive Vice President, Strategic Partnerships, Office of the President, Desjardins Group		<i>Christiane Bergevin</i> is Executive Vice President, Strategic Partnerships, Office of the President, of Desjardins Group. Prior to that, she was Senior Vice President and General Manager, Corporate projects, with the SNC-Lavalin Group Inc. Ms. Bergevin has held several executive and international finance positions with various SNC-Lavalin subsidiaries, including as President of SNC-Lavalin Capital Inc. between 2001 and 2008. Ms. Bergevin is a member of the board of directors of Talisman Energy Inc. She is also a former member of the audit committee of the board of directors of Caisse de dépôt et placement du Québec. She is also the former chair of the Pension Funds Advisory Committee and a former member of the Risk Investment Committee and of the audit committee of the board of directors of the Business Development Bank of Canada.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors		6 of 7	86%	Talisman Energy Inc.
Audit Committee (Chair) ⁽²⁾		4 of 4	100%	
Securities Held				
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>	<i>Total Shares and DSUs (#)</i>
February 24, 2012	-	-	-	-
Options Held				
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>		<i>Total Unexercised (#)</i>
-	-	-		-

Notes:

⁽¹⁾ Appointee of DSF.

⁽²⁾ Appointed chair of the Audit Committee as at December 8, 2010.

DENIS BERTHIAUME ⁽¹⁾				
Montreal, Québec, Canada Director since December 8, 2010 Independent Principal Occupation: Senior Vice-President and General Manager, Wealth Management and Life and Health Insurance, of Desjardins Group		Denis Berthiaume is Senior Vice-President and General Manager, Wealth Management and Life and Health Insurance, of Desjardins Group. In this capacity, he is in charge of the activities of Desjardins Financial Security, Desjardins Securities, Disnat, and Desjardins Asset Management, all subsidiaries of Desjardins. His mandate consists of ensuring product development in the specialized savings and life and health insurance segments, and in supporting the integrated distribution of these products throughout the caisse network and other complementary networks. He also oversees the evolution of distribution models through the various channels and supports the rollout to the caisses of an integrated offer in wealth management and life and health insurance. During his career spanning 25 years, Mr. Berthiaume has occupied strategic functions that provided him with the opportunity to touch on most of the areas linked to life and health insurance and to specialized savings products.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors ⁽²⁾		3 of 5	60%	-
Human Resources Committee ⁽³⁾		4 of 4	100%	
Securities Held				
As at	Class A Subordinate Voting Shares	Class B Special Voting Shares	DSUs (#)	Total Shares and DSUs (#)
February 24, 2012	-	-	-	-
Options Held				
Date Granted	Number (#)	Exercise Price (\$)		Total Unexercised (#)
-	-	-		-

Notes:

⁽¹⁾ Appointee of DSF.

⁽²⁾ Appointed member of the Board of Directors as at December 8, 2010.

⁽³⁾ Appointed member of the Human Resources Committee as at December 8, 2010.

SYLVAIN BROUSSEAU				
Repentigny, Québec, Canada Director since September 1, 2010 Not Independent (Management) Principal Occupation: President and Chief Operating Officer of Fiera Sceptre		<i>Sylvain Brousseau</i> has over 19 years of experience in the investment management industry. Mr. Brousseau was President and Chief Operating Officer of Fiera Capital Inc. until the combination of its business with Sceptre in September 2010. Prior to joining Fiera Capital Inc., Mr. Brousseau served as Executive Vice President, Institutional Markets at TAL Global Asset Management Inc. and Executive Vice President at TAL International where he oversaw worldwide distribution and operations.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors		7 of 7	100%	-
Securities Held				
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>	<i>Total Shares and DSUs (#)</i>
February 24, 2012	-	- ⁽¹⁾	-	-
Options Held				
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>		<i>Total Unexercised (#)</i>
October 1, 2009	204,603	3.67		204,603

Note:

⁽¹⁾ Sylvain Brousseau indirectly owns approximately 5.21% of the outstanding voting and equity interest of Fiera LP, a controlling shareholder of Fiera Sceptre holding approximately 58.2% of the outstanding Shares of Fiera Sceptre. Following completion of the Acquisition, Fiera LP will hold approximately 37.7% of the Shares of Fiera Sceptre.

JEAN-GUY DESJARDINS				
Westmount, Québec, Canada Director since September 1, 2010 Not Independent (Management) Principal Occupation: Chairman of the Board of Directors, Chief Executive Officer and Chief Investment Officer of Fiera Sceptre		<i>Jean-Guy Desjardins</i> began his career at Sun Life Insurance Company as an analyst and portfolio manager. In 1972, Mr. Desjardins co-founded TAL Global Asset Management Inc. and was its principal shareholder until the business was purchased by Canadian Imperial Bank of Commerce. Mr. Desjardins subsequently acquired a portion of the assets of Elantis Investment Management Inc. to create Fiera Capital Inc. Mr. Desjardins was Chairman of the Board of Directors, Chief Executive Officer and Chief Investment Officer of Fiera Capital Inc. until the closing of the Arrangement.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors (Chairman)		7 of 7	100%	-
Securities Held				
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>	<i>Total Shares and DSUs (#)</i>
February 24, 2012	-	- ⁽¹⁾	-	-
Options Held				
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>		<i>Total Unexercised (#)</i>
December 8, 2010	250,000	8.50		250,000

Note:

⁽¹⁾ Jean-Guy Desjardins indirectly owns approximately 37.67% of the outstanding voting and equity interest of Fiera LP, a controlling shareholder of Fiera Sceptre holding approximately 58.2% of the outstanding Shares of Fiera Sceptre. Following completion of the Acquisition, Fiera LP will hold approximately 37.7% of the Shares of Fiera Sceptre.

JEAN C. MONTY				
Montreal, Québec, Canada Director since September 1, 2010 Independent Principal Occupation: Vice Chairman of Centria Inc. and Corporate Director		<i>Jean C. Monty</i> began his career at Bell Canada in 1974 and held numerous positions in the BCE group. He joined Nortel Networks Corporation in October 1992 as President and Chief Operating Officer before being nominated President and Chief Executive Officer in March 1993. On April 24, 2002, Mr. Monty, then Chairman of the Board and Chief Executive Officer of Bell Canada Enterprises (BCE Inc.), retired after a 28-year career. He is a member of the International Advisory Board of the École des Hautes Études Commerciales. He was appointed a member of the Order of Canada for his contribution to business, public interests and community affairs. In recognition of these achievements, he was elected Canada's Outstanding CEO of the Year for 1997. In addition, he was inducted into the Académie des Grands Montréalais.		
Board/Committee Membership		Attendance		Public Company Board Memberships
Board of Directors		5 of 7	71%	Alcatel-Lucent SA
Audit Committee		5 of 6	83%	Bombardier Inc.
Governance Committee		2 of 2	100%	
Human Resources Committee (Chair)		6 of 6	100%	

JEAN C. MONTY (cont'd)				
Securities Held				
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>	<i>Total Shares and DSUs (#)</i>
February 24, 2012	833,333 ⁽¹⁾	- ⁽²⁾	-	833,333
Options Held				
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>	<i>Total Unexercised (#)</i>	<i>Value of Options Unexercised (\$)</i>
-	-	-	-	-

Notes:

⁽¹⁾ Held through Libermont Capital Inc., a private company controlled by Mr. Monty.

⁽²⁾ Jean C. Monty indirectly owns approximately 9.42% of the outstanding voting and equity interest of Fiera LP, a controlling shareholder of Fiera Sceptre holding approximately 58.2% of the outstanding Shares of Fiera Sceptre. Following completion of the Acquisition, Fiera LP will hold approximately 37.7% of the Shares of Fiera Sceptre.

NEIL NISKER			
Toronto, Ontario, Canada Director since September 1, 2010 Not Independent (Management) Principal Occupation: Executive Vice-Chairman of Fiera Sceptre		Neil Nisker has over 38 years of experience in the financial services industry. He was Executive Vice Chairman of Fiera Capital Inc. until the combination of its business with Sceptre in September 2010. He joined Fiera Capital Inc. in 2006 as President, Private Wealth. From 1997 to 1999, Mr. Nisker was Chairman of Nisker Associates, Inc., a registered investment counselling firm, which was later purchased by YMG Capital Management Inc. Prior to that, Mr. Nisker was a fund manager of Best Investments International Inc., a global equity mutual fund managed by Sir John Templeton, and, prior to that, helped build Brown Baldwin Nisker (now HSBC Securities (Canada) Inc.).	
Board/Committee Membership		Attendance	
Board of Directors		7 of 7	100%
Governance Committee		2 of 2	100%
Securities Held			
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>
February 24, 2012	-	- ⁽¹⁾	-
Options Held			
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>	<i>Total Unexercised (#)</i>
-	-	-	-

Note:

⁽¹⁾ Neil Nisker indirectly owns approximately 2.87% of the outstanding voting and equity interest of Fiera LP, a controlling shareholder of Fiera Sceptre holding approximately 58.2% of the outstanding Shares of Fiera Sceptre. Following completion of the Acquisition, Fiera LP will hold approximately 37.7% of the Shares of Fiera Sceptre.

W. ROSS WALKER			
Toronto, Ontario, Canada Director since 1997 Independent Principal Occupation: Corporate Director		W. Ross Walker is an FCA and the former Chairman and Chief Executive of KPMG Canada, a position he held from 1989 to 1993. From 1993 to 1996, Mr. Walker served as International Executive Partner of KPMG International. He was the Chairman of Sceptre from May 2003 to September 1, 2010.	
Board/Committee Membership		Attendance	
Board of Directors		7 of 7	100%
Audit Committee		6 of 6	100%
Governance Committee		2 of 2	100%
Securities Held			
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>
February 24, 2012	12,885	-	18,420
Options Held			
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>	<i>Total Unexercised (#)</i>
-	-	-	-

DAVID PENNYCOOK				
Toronto, Ontario, Canada Principal Occupation: Vice Chairman and Executive Vice President, Institutional Markets of Fiera Sceptre		David Pennycook leads the Institutional Markets team and his responsibilities include business development and client servicing for institutional clients. He is also a member of the firm's management committee. Mr. Pennycook has 32 years of industry experience and has been with the firm and a predecessor since 1991. Before its merger with Fiera Capital, Mr. Pennycook was CEO and President of Sceptre Investment Counsel Limited. Prior experiences include marketing and servicing roles at major Canadian investment management firms and insurance companies. He is also the Co-Chairman on the Canadian Investment/Corporate Committee of the International Foundation. Mr. Pennycook graduated from the University of Manitoba with an Honours Bachelor of Commerce (BComm).		
Board/Committee Membership		Attendance		Public Company Board Memberships
-		-	-	-
Securities Held				
<i>As at</i>	<i>Class A Subordinate Voting Shares</i>	<i>Class B Special Voting Shares</i>	<i>DSUs (#)</i>	<i>Total Shares and DSUs (#)</i>
February 24, 2012	154,656	-	-	154,656
Options Held				
<i>Date Granted</i>	<i>Number (#)</i>	<i>Exercise Price (\$)</i>		<i>Total Unexercised (#)</i>
October 6, 2010	90,278	8.3077		90,278

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

The following information has been furnished by the proposed directors of Fiera Sceptre.

Jean C. Monty was a director or executive officer of Teleglobe Inc. and certain of its affiliates during the year preceding May 15, 2002, the date on which Teleglobe Inc. and certain of its affiliates filed for court protection under insolvency statutes in various countries, including Canada and the United States. David R. Shaw was a director of Microforum Inc. when Microforum Inc. applied for and received protection from creditors under the *Companies Creditors' Arrangement Act* (Canada) from January 2002 to August 2002. Other than Mr. Monty and Mr. Shaw, no proposed director of Fiera Sceptre is, as at the date hereof or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, that:

- was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set out above, no proposed director of Fiera Sceptre:

- is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including Fiera Sceptre) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or

compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of Fiera Sceptre 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
- any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Appointment and Remuneration of Auditors

PricewaterhouseCoopers LLP resigned as auditors of Fiera Sceptre on September 1, 2010 in the context of the Arrangement and the Board of Directors appointed Samson Bélair Deloitte & Touche s.e.n.c.r.l., Chartered Accountants, as the auditors of Fiera Sceptre.

At the Meeting, the Shareholders will be called upon to renew the appointment of the auditors to hold office until the next annual meeting of Shareholders, and to authorize the Board of Directors to fix their remuneration.

Except where authority to vote on the appointment of the auditors is withheld, the persons named in the accompanying form of proxy will vote “FOR” the appointment of the firm Samson Bélair Deloitte & Touche s.e.n.c.r.l., Chartered Accountants, as the auditors of Fiera Sceptre, and to authorize the Board of Directors to fix their remuneration.

THE ACQUISITION

Background to the Acquisition

In early February 2011, Mr. Louis Vachon, President and Chief Executive Officer of National Bank, and Mr. Jean-Guy Desjardins, Chairman of the Board of Directors, Chief Executive Officer and Chief Investment Officer of Fiera Sceptre, had preliminary discussions to determine if there was mutual interest in pursuing a business combination between Natcan and Fiera Sceptre, as a result of which National Bank would retain an equity interest in the combined entity. A mutual confidentiality agreement was signed between National Bank, Natcan and Fiera Sceptre on February 21, 2011 to facilitate general discussions regarding the potential transaction.

On February 21, 2011, GMP Securities L.P. (“GMP”) was retained by Fiera Sceptre to act as financial advisor in connection with the potential transaction.

On February 23, 2011, Fiera Sceptre received a term sheet from National Bank, which outlined high-level terms of a potential transaction. Over the course of the next four weeks, Fiera Sceptre and National Bank continued preliminary discussions and exchanged revised non-binding term sheets. An electronic data room was opened in April 2011 and preliminary due diligence on the Purchased Assets (as defined below) commenced.

On May 13, 2011, senior representatives of both companies met at the Montreal offices of McCarthy Tétrault LLP, National Bank’s external legal counsel, to discuss the potential transaction. Participants at the meeting included Mr. Vachon, Mr. Pascal Duquette, President and Chief Executive Officer of Natcan, Mr. Luc Paiement, Executive Vice-President, Wealth Management, National Bank and Co-President and Co-Chief Executive Officer, National Bank Financial, Mr. Brian Davis, Executive Vice-President, Corporate Development and Governance, National Bank Financial, Mr. Desjardins, Mr. Sylvain Brosseau, President and Chief Operating Officer, Fiera Sceptre and Mr. Pierre Blanchette, Senior Vice-President, Finance, Fiera Sceptre. During the meeting, a proposed business plan for the combined entity was discussed and *pro forma* information with respect to the combined entity was presented to Fiera Sceptre.

After initial discussions with Louis Vachon, several discussions took place between Fiera Sceptre and Desjardins’ executives with respect to their support of the Acquisition.

Starting in September, 2011, the parties and their legal and financial advisors negotiated the terms of a potential transaction, including cash and share consideration, the level of National Bank's AUM commitment to the combined entity, the Acquisition Agreement and the other transaction-related documentation. See *"The Acquisition – Material Contracts Related to the Acquisition"*.

In addition, in early September 2011, Mr. Desjardins informed the Board of Directors of the Acquisition. During the week of September 5, 2011, the Board of Directors met and established a special committee of independent directors comprising David R. Shaw (Chair), Arthur R.A. Scace and W. Ross Walker (the **"Special Committee"**) to review and evaluate the Acquisition and provide a recommendation thereon to the Board of Directors. On September 16, 2011, the Special Committee engaged Norton Rose Canada LLP to act as its independent legal counsel in connection with the Acquisition and to provide advice regarding the duties and responsibilities of the members of the Special Committee in fulfilling their mandate.

As indicated above, on February 21, 2011, Fiera Sceptre had formally retained GMP to provide financial advisory and investment banking services in connection with the Acquisition. On January 12, 2012, GMP was also engaged by the Special Committee and the Board of Directors to deliver an opinion as to the fairness of the Acquisition, from a financial point of view, to the Shareholders.

On November 18, 2011, the Special Committee and its independent legal counsel met with Fiera Sceptre's management and financial and legal advisors to review and discuss the Acquisition in detail. During this meeting, presentations were made to the Special Committee concerning the financial implications of the Acquisition, the potential advantages of the Acquisition, as well as the risks that the Acquisition posed to the business of Fiera Sceptre. The Special Committee also received a detailed presentation on the substance of the draft documentation proposed to be entered into in connection with the Acquisition and on the progress of negotiations.

During the months of October and November 2011, Fiera Sceptre's and National Bank's principals and respective legal counsel continued discussions with respect to the terms of the transaction and continued with their due diligence investigations.

Over the course of November and December 2011 and January and February 2012, the Special Committee met on five occasions with its independent legal counsel and financial advisors to review and discuss the Acquisition. Throughout this period, the Special Committee was kept apprised of the status of negotiations, was provided with financial and commercial insight from Fiera Sceptre's management and financial and legal advisors, and was provided with advice by its independent legal counsel and financial advisors.

Throughout December 2011 and January and February, 2012, and up to and including February 24, 2012, discussions and negotiations with National Bank continued regarding several key deal points. Discussions and negotiations were also taking place during this period with Desjardins regarding, among other things, Desjardins' support of the Acquisition. Such discussions and negotiations culminated in the agreement of the relevant parties relating to certain buy/sell rights and obligations of Desjardins in respect of its indirect interest in Fiera Sceptre, including the DSF Option described in detail below. See *"The Acquisition – Material Contracts Related to the Acquisition – Principal Investors Agreement and Voting Arrangements/Put Option Agreements – DSF Option"*.

On January 11, 2012, Messrs. Desjardins and Brosseau, along with representatives from National Bank, met with three key institutional shareholders of Fiera Sceptre to discuss the terms of the Acquisition. At this meeting, the institutional shareholders were asked to sign voting support agreements. The terms of these voting support agreements were thereafter negotiated and agreed to in principle in mid-February. In addition, voting support agreements with Jean-Guy Desjardins and Fiera LP were also negotiated and agreed to in principle during this period. All such voting support agreements were executed on February 24, 2012. See *"The Acquisition – Voting Support Agreements"*.

Throughout December 2011 and January and February, 2012, Fiera Sceptre was also engaged in discussions and negotiations with National Bank regarding a credit facility (the **"Credit Facility"**) to be put in place, among other things, to fund the Cash Consideration portion of the Purchase Price due at the Closing Time. On February 23, 2012, National Bank and Fiera Sceptre entered into a commitment letter in respect of such financing under which, subject to the satisfaction of the certain specified conditions and the other terms thereof,

National Bank committed to underwrite a (i) \$10 million senior unsecured revolving credit facility (five-year term with an option of Fiera Sceptre to request that this facility be increased by an amount up to \$10 million); and (ii) senior unsecured five-year term loan with a principal amount of up to \$108 million. National Bank Financial Markets will act as sole lead arranger and sole bookrunner in respect of the syndication of these credit facilities.

On February 2, 2012, an application was filed with the Autorité des marchés financiers du Québec (the “AMF”) for relief from the take-over bid requirements arising under Multilateral Instrument 62-104 – *Take-over Bids and Issuer Bids* in respect of the buy/sell rights described below that were negotiated among Desjardins, Arvestia and National Bank. On February 9, 2012, legal representatives of Fiera Sceptre, National Bank, Arvestia, Desjardins and the Special Committee met with the AMF to discuss the application. Exemptive relief was granted by the AMF under an order dated February 29, 2012. See “*The Acquisition – Material Contracts Related to the Acquisition – Principal Investors Agreement and Voting Arrangements/Put Option Agreements*”.

On February 15, 2012, Fiera Sceptre filed a draft notice of the Acquisition with the TSX requesting its approval regarding the listing of the Transaction Shares, including the Additional NBC Shares (in the case of the Additional NBC Shares, without the need to seek securityholder approval at the time any such Shares are issued on the basis that such securityholder approval is being sought at the Meeting). Following such date, various discussions were held with the TSX regarding the terms of the Acquisition, the Fiera LP structure, and the voting procedures that would be required under TSX rules in order to obtain shareholder approval of the Share Issuance Resolution. Although no assurance can be provided, management of Fiera Sceptre expects that such approval will be granted, subject to the approval of the issuance of the Transaction Shares (including the Additional NBC Shares) by a majority of the votes cast at the Meeting by the Independent Class A Shareholders (as defined below), in person or by proxy, and other requirements customary of an approval of this nature.

On February 24, 2012, the Special Committee and its independent legal counsel met with Fiera Sceptre’s management and legal and financial advisors and received a status report on the Acquisition and an oral opinion from GMP, subsequently confirmed in writing, that, based upon and subject to various assumptions, limitations and qualifications set forth in its opinion, the Acquisition was fair, from a financial point of view, to the Shareholders. The Special Committee considered a number of factors, including those factors specified under “*Benefits of the Acquisition*” below, and, on the basis of the advice received from its independent legal counsel and financial advisors, including the GMP Fairness Opinion, unanimously determined that the Acquisition was in the best interests of Fiera Sceptre and unanimously recommended to the Board of Directors that it approve the Acquisition, resolve that the Corporation enter into the definitive Acquisition Agreement and related documentation, and other ancillary matters.

On February 24, 2012, the board of directors of National Bank, Natcan and Fiera Sceptre approved the formal Acquisition Agreement. Each of Jean C. Monty, Jean-Guy Desjardins, Denis Berthiaume and Christiane Bergevin abstained from voting on the Fiera Sceptre board resolution in accordance with the provisions of the OBCA. On February 24, 2012, National Bank, Natcan and Fiera Sceptre signed the formal Acquisition Agreement and on February 27, 2012, Fiera Sceptre and National Bank issued a joint news release announcing the signing of the formal Acquisition Agreement.

Benefits of the Acquisition

The Board believes that the Acquisition will offer a number of benefits to the Shareholders, including the following:

Strategic Rationale

- *Access to Distribution Network.* The Acquisition will provide Fiera Sceptre with access to National Bank’s distribution network, which is expected to significantly enhance Fiera Sceptre’s asset-gathering capabilities and accelerate growth in AUM, driving increased profitability. National Bank has an extensive distribution network, with 442 branches across Canada, with approximately 2,000 financial advisors, as well as more than 120 National Bank Financial branches across Canada, with approximately 1,000 investment advisors. National Bank’s distribution network includes mutual funds, National Bank Trust Private Investment Management Solutions, National Bank Financial Fund Baskets, the National Bank

pension fund and 1859 Private Wealth. In addition, as a significant long-term shareholder, National Bank will be incentivized to help Fiera achieve cross-selling opportunities.

The Canadian mutual fund industry is becoming increasingly dominated by the six large Canadian banks, who now account for over 40% of long-term fund sales in Canada. Acquiring access to the distribution network of a large Canadian bank will significantly enhance Fiera Sceptre's ability to compete in the retail mutual fund market.

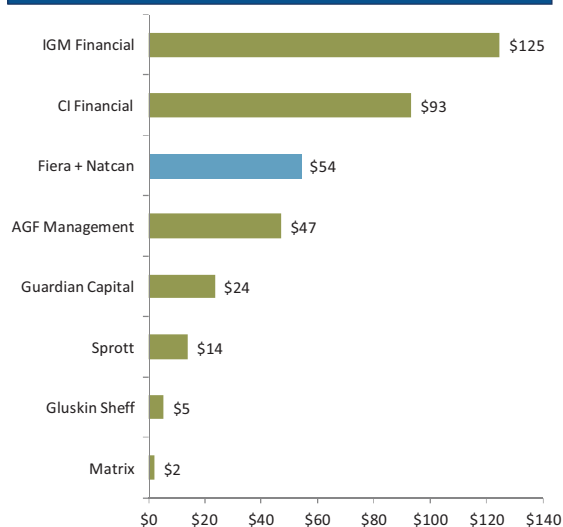
- *AUM and Fees Backed by Long-Term Agreement with National Bank.* Fiera Sceptre, National Bank and Natcan will enter into the AUM Agreement (as defined below) under which National Bank will be required to pay certain amounts to Fiera Sceptre in the event a specified minimum AUM ratio is not maintained. These contractual arrangements, along with its 35% interest in the business, will provide National Bank with a strong economic incentive to maintain a significant percentage of its AUM with Fiera Sceptre for at least the seven year term of the AUM Agreement (the agreement is subject to renewal for an additional three years, in accordance with its terms). Following the Acquisition, it is expected that over 25% of Fiera Sceptre's management fees and approximately 35% of its AUM will be subject to this long-term agreement with National Bank. See "*The Acquisition – Material Contracts Related to the Acquisition – Principal Investors Agreement and Voting Arrangements/Put Option Agreements – AUM Agreement*".
- *Enhanced Balance Between Asset Mix.* The Acquisition will improve Fiera Sceptre's balance in asset mix between retail and institutional assets. Over 75% of Fiera Sceptre's AUM are derived from assets managed on behalf of institutional clients. Natcan's AUM are mainly comprised of retail-focused assets with over 40% of assets concentrated in mutual funds. The Acquisition will create a more diversified balance between institutional and retail clients contributing to a more stable asset base and revenue stream.



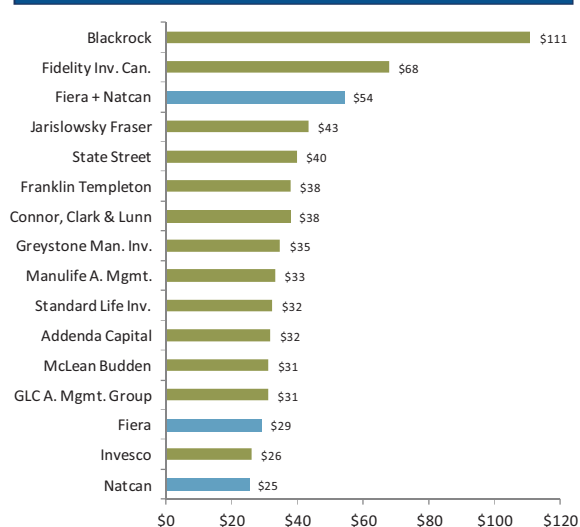
- *Depth of Product Offering.* The Acquisition will expand Fiera Sceptre's portfolio of offered investment products by adding a large number of new investment products. Natcan also manages a number of attractive retail products, including mutual funds and baskets, which will add to and diversify Fiera Sceptre's current product portfolio.
- *Innovative New Investment Products.* Fiera Sceptre expects to be able to leverage National Bank's track record of developing new and innovative investment products, including alternative asset classes.
- *Stronger Platform and Improved Position in Rankings of Money Managers.* Integrating Natcan's operations into Fiera Sceptre is expected to create a stronger platform for the combined businesses to compete nationally and with foreign-owned asset managers in Canada. Following the Acquisition, Fiera Sceptre will have approximately \$54 billion in assets under management, with the result that Fiera Sceptre will become the third largest publicly traded asset manager in Canada and a top five independent asset manager. Achieving greater size and scale in the asset management business are expected to result in

increased profits, since costs typically do not rise in proportion to revenue increases generated at a higher level of AUM.

Fee Earning Assets⁽¹⁾⁽²⁾ – Pro Forma (in Billions)



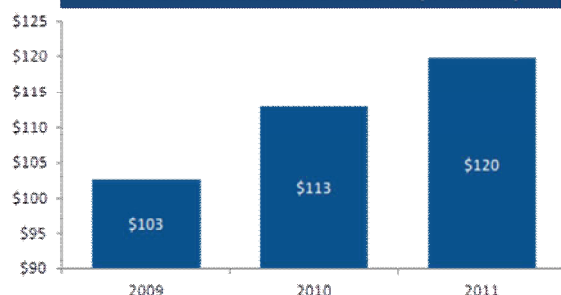
Fee Earning Assets⁽¹⁾⁽³⁾ – Pro Forma (in Billions)



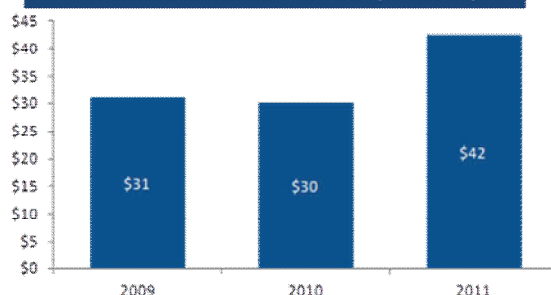
- (1) Includes AUM and AUA
(2) Based on most recently disclosed figures
(3) Source: Benefits Canada, as of June 30, 2011, reflects non bank owned institutional money managers only
(4) Based on December 31, 2011 AUM estimates released by Sprott and AUA as of September 30, 2011

- **Significant Increase in Critical Mass.** In addition to increased AUM, the Acquisition would create a substantial participant in the Canadian investment advisor market with over \$120 million in projected revenues and over \$40 million in projected EBITDA prior to the inclusion of synergies and cost efficiencies of approximately \$10 million.
- **Synergies from Integration.** Following the completion of the Acquisition, Fiera Sceptre intends to integrate the operations of Natcan with its own. Fiera Sceptre currently anticipates achieving cost savings in the amount of approximately \$10 million. The majority of costs savings are expected to be derived from redundant head office and investment management costs, as well as marketing and client servicing, operations, information technology, profession costs and occupancy.

Pro Forma Combined Revenue⁽¹⁾ (in Millions)



Pro Forma Combined EBITDA⁽¹⁾ (in Millions)



Note:

(1) Pro forma including Fiera Capital, Sceptre and Natcan (not included projected synergies).

Financial Rationale

- **Significant Cost Efficiencies and Accretion Opportunity.** The Acquisition is projected to create annual cost efficiencies of approximately \$10 million and be immediately accretive in the range of 10% to 15%.

- *Continued Regular Dividend.* The growth in business expected from the Acquisition, as well as improved margins and cash flow generation capabilities through cost efficiencies, is expected to contribute to the continued payment by Fiera Sceptre of a regular dividend.

The Board of Directors has, following consultation with the Special Committee and its independent financial and other outside advisors, determined that the Acquisition is fair, from a financial point of view, to the Shareholders and in the best interests of Fiera Sceptre, and unanimously recommends that the Independent Class A Shareholders vote “FOR” the approval of the Share Issuance Resolution.

Voting Support Agreements

On February 24, 2012, Fiera LP, the sole holder of the Class B Special Voting Shares, Jean-Guy Desjardins, National Bank and Natcan entered into a voting support agreement (the “**Voting Support Agreement**”) pursuant to which they agreed, among other things, to vote in favour of the transactions contemplated in connection with the Acquisition on any vote they are entitled to vote upon at the Meeting, and against any Acquisition Proposal (as defined in the Acquisition Agreement), subject to certain customary rights of termination in respect of such agreement, including in the event the Acquisition Agreement is terminated (such termination of the Voting Support Agreement to be effective 60 days after any such termination of the Acquisition Agreement).

In addition, on February 24, 2012 three large institutional Shareholders representing 6.3 million Class A Subordinate Voting Shares, or approximately 40% of the issued and outstanding Class A Subordinate Voting Shares, have entered into voting support agreements with National Bank and Natcan under which they agreed to vote in favour of the transactions contemplated in connection with the Acquisition, and against any Acquisition Proposal, subject to certain customary rights of termination in respect of such agreements, including in the event the Acquisition Agreement is terminated in connection with the entering into by Fiera Sceptre of a Superior Proposal.

GMP Fairness Opinion

As described above, on February 21, 2011, Fiera Sceptre engaged GMP to provide financial advisory and investment banking services to the Corporation in connection with the possible transaction. Effective November 18, 2011, GMP was also engaged by the Special Committee and the Board of Directors to provide an opinion as to the fairness of the Acquisition, from a financial point of view, to the Shareholders. At meetings held on February 24, 2012 GMP provided the Special Committee and the Board of Directors with an oral opinion, subsequently confirmed in writing, that, based upon and subject to the various assumptions, limitations and qualifications set forth in its opinion, the Acquisition was fair, from a financial point of view, to the Shareholders. See Appendix “E” to this Circular for a copy of the GMP Fairness Opinion.

The full text of the GMP Fairness Opinion, which sets forth, among other things, the assumptions made, information reviewed and matters considered, and limitations and qualifications on the review undertaken in connection with the opinion, is attached to this Circular as Appendix “E”. The GMP Fairness Opinion is not intended to be and does not constitute a recommendation to any Shareholder as to how to vote or act at the Meeting. The GMP Fairness Opinion was one of a number of factors taken into consideration by the Special Committee and by the Board of Directors in considering the Acquisition. This summary of the GMP Fairness Opinion is qualified in its entirety by reference to the full text of the GMP Fairness Opinion and Shareholders are urged to read the GMP Fairness Opinion in its entirety.

The GMP Fairness Opinion was rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date of the GMP Fairness Opinion and the condition, prospects, financial and otherwise, of Fiera Sceptre and Natcan, as applicable, as they are reflected in the information and documents reviewed by GMP and as they were presented to GMP. Subsequent developments may affect the GMP Fairness Opinion. GMP has disclaimed any undertaking or obligation to advise any person of any change in any fact or matter affecting the GMP Fairness Opinion which may come or be brought to the attention of GMP after the date of the GMP Fairness Opinion.

Under its engagement letter with GMP, Fiera Sceptre has agreed to pay GMP a fee that is contingent upon the completion of the Acquisition.

Recommendation of the Board of Directors

The Board of Directors has reviewed the terms of the Acquisition and the GMP Fairness Opinion. **The Board of Directors has determined that the Acquisition is in the best interests of the Corporation and is fair to the Shareholders and recommends that the Independent Class A Shareholders vote in favour of the Share Issuance Resolution. It is the intention of the Corporation's management designees named in the accompanying Form of Proxy to vote "FOR" the Share Issuance Resolution unless an Independent Class A Shareholder has specified in its proxy that its Class A Subordinate Voting Shares are to be voted against the foregoing resolution.**

In making its determination and recommendation, the Board of Directors has considered, among other things, the recommendation of the Special Committee, and has relied upon the GMP Fairness Opinion and the legal, financial, tax and other advice and information received during the course of its deliberations. The following is a summary of the factors, among others, that the Board of Directors considered in making its determination and recommendation:

- (a) the benefits of the Acquisition described above under "*— Benefits of the Acquisition*";
- (b) the business operations, property, assets, financial condition, operating results and prospects of the Corporation;
- (c) the current industry, economic and market conditions and trends and informed expectations as to industry prospects;
- (d) the GMP Fairness Opinion, which is reproduced in full as Appendix "E" to this Circular, to the effect that the Acquisition is fair, from a financial point of view, to the Shareholders; and
- (e) the terms and conditions of the Acquisition Agreement.

The foregoing discussion of the information and factors considered and given weight by the Board of Directors is not intended to be exhaustive but is believed to include all material factors considered. In addition, in reaching the determination to approve the Acquisition Agreement and recommend approval of the Share Issuance Resolution, the Board of Directors did not find it practical to, nor did it, assign any relative or specific weight to any specific foregoing factor, and individual directors may have given differing weights to different factors.

Each of the directors, other than those owning an interest in Arvestia and whose votes attaching to any Class A Subordinate Voting Shares are to be excluded from the vote on the Share Issuance Resolution as a condition to Fiera Sceptre's receipt of TSX approval of the listing of the Transaction Shares, has advised the Corporation that he will vote the Shares held or controlled by him, directly or indirectly, in favour of the Share Issuance Resolution. To the knowledge of Fiera Sceptre, no such director holds any Class A Subordinate Voting Shares. The votes attaching to the Class A Subordinate Voting Shares held by Libermont Inc., a corporation controlled by Jean C. Monty (a director), will be excluded from such vote.

Acquisition Agreement

The following description of certain material provisions of the Acquisition Agreement is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Acquisition Agreement, a copy of which will be filed on SEDAR at www.sedar.com on March 1, 2012. Capitalized terms used in this summary but not otherwise defined in this Circular have the respective meanings given to them in the Acquisition Agreement. The Acquisition Agreement contains covenants, representations and warranties of and from each of Fiera Sceptre, Natcan and National Bank and various conditions precedent, both mutual and in favour of each of the Parties.

Purchase Price

Pursuant to the terms of the Acquisition Agreement, Fiera Sceptre will purchase substantially all of the business assets of Natcan (the “**Purchased Assets**”) for an aggregate purchase price (the “**Purchase Price**”) of \$309,500,000 plus the amount of the Assumed Liabilities, subject to reduction in the circumstances described below. The Purchase Price will be satisfied:

- (i) at the Closing Time by: (A) the making by Fiera Sceptre of a cash payment (the “**Cash Consideration**”) in an amount equal to \$235 million less the value of the Consideration Shares; (B) the issuance by Fiera Sceptre of the Consideration Shares; and (C) the assumption by Fiera Sceptre of the Assumed Liabilities. The value of each Consideration Share will be calculated at the Closing Date based on the simple average of (x) the 10-day volume-weighted average price of the Class A Subordinate Voting Shares prior to February 24, 2012; and (y) the 10-day volume-weighted average of the Class A Subordinate Voting Shares prior to Closing, provided that the price per Consideration Share for this purpose will not be less than \$7.00 nor more than \$9.00; and
- (ii) following the Closing Time by: (A) the making of a \$8.5 million payment in respect of each of the first seven Years (each, an “**Annual Payment**”), unless certain specified minimum AUM thresholds are not satisfied by Natcan and its Affiliates; and (B) by the making of a one-time payment in the amount of \$15 million in respect of the seventh Year (the “**Seventh Year Payment**”), unless certain specified minimum AUM thresholds are not satisfied by Natcan and its Affiliates and Fiera Sceptre does not receive certain specified minimum amounts of annual base and performance management fees during such Year.

The Annual Payment in respect of the Year commencing on July 1, 2012 and ending on June 30, 2013 (the “**First Year**”) shall be satisfied with a number of Class A Subordinate Voting Shares issued by Fiera Sceptre (the “**First Year Payment Shares**”) equal to the lesser of (i) the amount of the Annual Payment in respect of the First Year divided by the Price Per Share, (ii) 2.5% of the total number of Shares that are to be issued and outstanding (on a non-diluted basis) immediately following the issuance of the First Year Payment Shares, and (iii) the number of Shares which would, if issued, result in the Natcan and its Affiliates holding 40% of all of the issued and outstanding Shares (on a non-diluted basis and without taking into account any Shares purchased or to be purchased by National Bank as a result of the exercise of the JGD Put Right or the DSF Option). The amount, if any, by which the Annual Payment in respect of the First Year exceeds the product of the Price Per Share and the number of First Year Payment Shares, shall be payable by Fiera Sceptre in cash. For purposes of these provisions, “**Price Per Share**” means the VWAP for the twenty day period prior to the applicable share issue date.

The Annual Payment in respect of the Year commencing on July 1, 2013 and ending June 30, 2014 (the “**Second Year**”) shall be satisfied with a number of Class A Subordinate Voting Shares issued by Fiera Sceptre (the “**Second Year Payment Shares**”) equal to the lesser of (i) the amount of the Annual Payment in respect of the Second Year divided by the Price Per Share, (ii) 2.5% of the total number of Shares that are to be issued and outstanding (on a non-diluted basis) immediately following the issuance of the Second Year Payment Shares, and (iii) the number of Shares which would, if issued, result in Natcan and its Affiliates holding more than 40% of all of the issued and outstanding Shares (on a non-diluted basis and without taking into account any Shares purchased or to be purchased by the Bank as a result of the exercise of the JGD Put Right or the DSF Option). The amount, if any, by which the Annual Payment in respect of the Second Year exceeds the product of the Price Per Share and the number of Second Year Payment Shares, shall be payable by Fiera Sceptre in cash.

The issuance of First Year Payment Shares, Second Year Payment Shares and/or Class A Subordinate Voting Shares issuable upon the exercise by National Bank of the First Option and/or the Second Option could result in a change of control of Fiera Sceptre under applicable TSX rules. See “*The Acquisition – Material Contracts Related to the Acquisition – Investor Rights Agreement*”.

No fractional Consideration Shares shall be issued in satisfaction of the Purchase Price, and any fractional Consideration Shares otherwise deliverable as part of the Purchase Price shall be rounded up or down to the nearest whole number of Consideration Shares.

Each Annual Payment following the Second Year and the Seventh Year Payment may be satisfied, at the election of Fiera Sceptre (in its sole and unfettered discretion), in cash or with Class A Subordinate Voting Shares issued by Fiera Sceptre and listed for trading on the TSX. In the event Fiera Sceptre decides to satisfy its obligations to pay an Annual Payment or the Seventh Year Payment with Class A Subordinate Voting Shares, then Fiera Sceptre shall issue and deliver to Natcan or as directed by Natcan, that number of Class A Subordinate Voting Shares that is equal to such Annual Payment or Seventh Year Payment, as applicable, divided by the VWAP of the Class A Subordinate Voting Shares on the TSX for the twenty (20) days period prior to the date at which such shares are issued, rounded down to the nearest whole number. Any such issuance shall be subject to the receipt of all required TSX approvals and satisfaction of applicable securities laws.

Representations and Warranties

The Acquisition Agreement contains customary representations and warranties of each of Fiera Sceptre and Natcan relating to, among other things, organization, corporate and governmental authorizations, the absence of any contravention or conflict with organizational documents or applicable law, financial statements, contingent liabilities, the absence of certain changes, title to assets, material contracts, clients and suppliers, AUM, litigation, intellectual property, technology, employment matters, pension and employee benefits, certain tax matters, compliance with law, non-arm's length transactions, sufficiency of assets, broker's fees, insurance and the *Competition Act* (Canada). Natcan also provided many representations and warranties with respect to the Natcan Funds forming part of the Purchased Assets.

The representations and warranties of Fiera Sceptre, National Bank and Natcan will, subject to certain exceptions, survive for a period of two years following the Closing Date of the Acquisition. Any Claims based on the absence of, or deficiency on, the title of Natcan to the Purchased Assets or Claims based on intentional misrepresentation, wilful breach or fraud by Natcan, National Bank, Fiera Sceptre or any Person acting for or on behalf of such parties will survive until the date which is the last day of the 15-year ultimate limitation period.

Conditions to Closing

Mutual Conditions Precedent

The obligations of Fiera Sceptre and Natcan to complete the purchase and sale of the Purchased Assets are subject to the satisfaction of, or compliance with, at or before the Closing Time, the following conditions, each of which may only be waived by the mutual consent of Fiera Sceptre and Natcan:

- (a) the Competition Act Approval shall have been obtained in accordance with the terms of the Acquisition Agreement;
- (b) the Regulatory Approvals shall have been obtained and all notices referred to in Schedule 7.10 of the Acquisition Agreement shall have been given within the time required;
- (c) there shall not be in force any injunction, Order or decree of any Governmental Authority restricting or enjoining the consummation of the transactions contemplated under the Acquisition Agreement;
- (d) Fiera Sceptre shall have obtained the Shareholder Approval at the Meeting; and
- (e) all Ancillary Agreements and the Principal Investors Agreement (as defined below) shall have been executed and delivered by all Parties thereto.

Conditions Precedent in Favour of Fiera Sceptre

The obligation of Fiera Sceptre to complete the purchase of the Purchased Assets is subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent (each of which is for the exclusive benefit of Fiera Sceptre and may be waived in whole or in part by Fiera Sceptre):

- (a) the representations and warranties of Natcan and National Bank set forth in the Acquisition Agreement shall have been true and correct as of the date of execution of the Acquisition Agreement (disregarding any materiality or Material Adverse Change qualification contained in any such representations or warranties), except that the representations and warranties that by their terms expressly speak specifically of a certain date shall be true and correct as of such date, except where the failure to be so true and correct, individually and in the aggregate, has not constituted or would not reasonably be expected to constitute a Material Adverse Change with respect to the Business taken as a whole, and Fiera Sceptre shall have received a certificate from a senior officer of each of Natcan and National Bank confirming to his knowledge (after due enquiry), without personal liability, the truth and correctness of such representations and warranties;
- (b) each of Natcan and National Bank shall have performed or complied with, in all material respects, all its obligations, covenants and agreements under the Acquisition Agreement and Fiera Sceptre shall receive a certificate from a senior officer of each of Natcan and National Bank confirming to his knowledge (after due enquiry), without personal liability, such performance or compliance, as the case may be;
- (c) all instruments of conveyance and other documentation relating to the sale and purchase of the Purchased Assets including assignments of Contracts (subject to certain exceptions in connection with the Real Property Leases and Other Restricted Rights), surveys, bills of sale and trade-mark assignments, documentation relating to the due authorization and completion of such sale and purchase and all actions and proceedings taken on or prior to the Closing in connection with the performance by Natcan of its obligations under the Acquisition Agreement, shall be satisfactory to Fiera Sceptre, acting reasonably, and Fiera Sceptre shall have received copies of all such documentation or other evidence as it may reasonably request in order to establish the consummation of the transactions contemplated by the Acquisition Agreement and the taking of all corporate proceedings in connection with such transactions in compliance with these conditions, in form (as to certification and otherwise) and substance satisfactory to Fiera Sceptre;
- (d) (i) all registrations, declarations, filings or recordings with any Governmental Authority required in connection with the completion of any of the transactions contemplated by the Acquisition Agreement and the Transaction Documents, the execution of the Acquisition Agreement, the Closing or the performance of any of the terms and conditions of the Acquisition Agreement shall have been made at or before the Closing Time on terms acceptable to Fiera Sceptre; (ii) all consents or approvals to the assignment of Affiliate Restricted Rights shall have been obtained at or before the Closing Time; and (iii) Fiera Sceptre shall have received a certificate, dated as of the Closing Date, executed by a senior officer of Natcan (without personal liability) and certifying as to (A) the constating documents of Natcan and the QSSP II Fund, and (B) the resolutions of Natcan authorizing the execution, delivery and performance by Natcan of the Acquisition Agreement;
- (e) Fiera Sceptre shall have received evidence satisfactory to it that all Encumbrances other than Permitted Encumbrances have been discharged and that the Purchased Assets are free and clear of all Encumbrances other than Permitted Encumbrances;
- (f) Natcan shall have delivered actual possession of the Purchased Assets to Fiera Sceptre;
- (g) Natcan shall have released any Transferred Employees from any confidentiality or non-competition agreements or non-solicitation covenants with Natcan except to the extent that these have been assigned to Fiera Sceptre; and
- (h) there shall not have developed, occurred or come into effect or existence any occurrence of national or international importance (including any natural catastrophe, national emergency, escalation of war or terrorism, major financial crisis or similar event) or any law or regulation, but specifically excluding any occurrence which would, as of the date of the Acquisition Agreement,

be one that the Parties could have reasonably foreseen (an “**Event**”), and the effect of the Event has materially adversely affected the value of the Business or the Purchased Assets, taken as a whole, in a disproportionate manner when compared to the effect of the Event on the value of the business of Fiera Sceptre.

Conditions Precedent in Favour of Natcan

The obligation of Natcan to complete the sale of the Purchased Assets is subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent (each of which is for the exclusive benefit of Natcan and may be waived in whole or in part by Natcan):

- (a) the representations and warranties of Fiera Sceptre set forth in the Acquisition Agreement shall have been true and correct (disregarding any materiality or Material Adverse Change qualification contained in any such representations or warranties) as of the date of execution of the Acquisition Agreement (except that the representations and warranties that by their terms expressly speak specifically as of a certain date shall be true and correct as of such date), except where the failure to be so true and correct, individually and in the aggregate, has not constituted or would not reasonably be expected to constitute a Material Adverse Change with respect to Fiera Sceptre, and Natcan shall have received a certificate from a senior officer of Fiera Sceptre confirming to his knowledge (after due inquiry), without personal liability, the truth and correctness of such representations and warranties;
- (b) Natcan shall have received the Cash Consideration and Transaction Shares;
- (c) Fiera Sceptre shall have performed or complied with, in all material respects, all its obligations, covenants and agreements under the Acquisition Agreement and Natcan shall have received a certificate from a senior officer of Fiera Sceptre confirming to his knowledge (after due inquiry), without personal liability such performance or compliance, as the case may be;
- (d) two nominees of Natcan shall have been validly appointed as directors of Fiera Sceptre and all directors of QSSP II Fund shall have resigned and each vacancy validly filled by a nominee of Fiera Sceptre in accordance with the terms of the Investor Rights Agreement; and
- (e) there shall not have developed, occurred or come into effect or existence any occurrence of an Event and the effect of the Event has materially adversely affected the market price or value of the securities of Fiera Sceptre or of its business, taken as a whole, in a disproportionate manner when compared to the effect of the Event on the value of the business of Natcan.

Mutual Interim Period Covenants

In the Acquisition Agreement, each of Fiera Sceptre and Natcan agreed that each will do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in the Acquisition Agreement including, among others, to:

- (a) take all such actions as are within each Parties’ power to control, and use reasonable commercial efforts to cause other actions to be taken which are not within the Parties’ power to control, so as to ensure compliance with each of the conditions and covenants set out in the Acquisition Agreement;
- (b) promptly proceed to diligently apply for the Competition Act Approval and the Regulatory Approvals set forth in Schedule 7.10 of the Acquisition Agreement and to cooperate and assist each other in connection therewith and in connection with any approvals, notices and consents provided for under the Acquisition Agreement which the Parties may agree to send or obtain in connection with the transactions contemplated thereby; and

- (c) promptly advise the other Party in writing of any event or state of which it is aware, which occurrence or failure would, or would be likely to: (i) constitute a Material Adverse Change in respect of the Business taken as a whole or of Fiera Sceptre, as applicable; (ii) cause any of the representations or warranties of Natcan, or Fiera Sceptre, as applicable, contained in the Acquisition Agreement to be untrue or inaccurate in any material respect prior to the Closing Date; or (iii) result in the failure of Natcan or Fiera Sceptre, as applicable, to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied under the Acquisition Agreement prior to the Closing Date.

Interim Period Covenants of Natcan

In addition to the covenants set forth above in this section under “*Mutual Interim Period Covenants*,” Natcan agreed to certain other covenants in the Acquisition Agreement, including that during the Pre-Closing Period, it shall cause, and shall cause QSSP II Fund to, among other things, (i) conduct the Business in the ordinary course consistent with past practice; (ii) use commercially reasonable efforts to preserve the business organization and maintain good relations with the Employees, clients, suppliers and other Persons with which Natcan and QSSP II Fund has significant business relations; (iii) continue to keep in force all policies of insurance maintained by or for the benefit of the Business; (iv) call and hold a meeting of shareholders of QSSP II Fund (the “**Fund Shareholders’ Meeting**”) for the purpose of considering the change in manager of QSSP II Fund and prepare meeting materials to be distributed in connection therewith which includes a recommendation from QSSP II Fund and Natcan to the shareholders of QSSP II Fund to approve the change in manager of QSSP II Fund; (v) in the event the change of manager is not approved at the Fund Shareholders’ Meeting, cooperate in good faith with Fiera Sceptre to find alternative solutions to permit Fiera Sceptre to assume the fund manager role on behalf of QSSP II Fund, including convening a second meeting of shareholders of QSSP II Fund to change the manager to Fiera after a reasonable lapse of time after the Fund Shareholders’ Meeting; (vi) periodically report to Fiera Sceptre as it may reasonably request concerning the state of Natcan, the Business and the Purchased Assets; and (vii) comply in all material respects with all laws affecting the operation of the Business and give all notices and present claims under all insurance policies in a timely fashion.

Interim Period Covenants of Fiera Sceptre

In addition to the covenants set forth above in this section under “*Mutual Interim Period Covenants*,” Fiera Sceptre agreed to certain other covenants in the Acquisition Agreement, including, among other things, that: (i) it will conduct its business in the ordinary course consistent with past practice; (ii) it will comply in all material respects with all laws affecting the operation of its business; (iii) it will call and hold the Meeting and prepare Meeting Materials to be distributed to Shareholders in connection therewith; (iv) it will not, without the written consent of Natcan, issue or the authorize the issuance of, any Shares or any securities convertible into or exchangeable for such Shares or securities (except pursuant to the exercise of outstanding options, warrants or other rights to purchase Shares); and (v) it will not, without the consent of Natcan, declare or pay any dividend or distribution on any of the Shares other than in the ordinary course of business.

Natcan and National Bank Covenants Regarding Non-Solicitation

Notwithstanding any of the terms and conditions of the Confidentiality Agreement, each of Natcan and National Bank has agreed that until the earliest of: (i) termination of the Acquisition Agreement and (ii) the Closing Date, it shall not authorize or permit any of its Affiliates or any of its or its Affiliates’ Representatives, as applicable, directly or indirectly, to (A) solicit, initiate, encourage or facilitate, including by way of furnishing information or entering into any form of agreement, arrangement or understanding, any inquiries or the making of any proposals regarding a Prohibited Transaction, or (B) participate in any discussions or negotiations regarding any Prohibited Transaction.

Fiera Sceptre Covenants Regarding Non-Solicitation

Fiera Sceptre has agreed, except as otherwise permitted by the Acquisition Agreement, not to, directly or indirectly, through any director, officer, agent or Representative of Fiera Sceptre, or any of its Subsidiaries: (i) solicit, initiate, encourage or otherwise facilitate (including by way of furnishing information or entering into

any form of agreement, arrangement or understanding or providing any other form of assistance) any inquiries or proposals regarding, or other action that constitutes, or may reasonably be expected to lead to, an actual or potential Acquisition Proposal; (ii) enter into, continue or otherwise participate in any discussions or negotiations in furtherance of such inquiries or proposals or regarding an actual or potential Acquisition Proposal; (iii) approve or recommend, or propose publicly to approve or recommend, any Acquisition Proposal; (iv) accept or enter into any agreement, arrangement or understanding related to any Acquisition Proposal; or (v) withdraw, modify, change or qualify, or publicly propose to withdraw, modify, change or qualify, in any manner adverse to Natcan, the approval or recommendation of the Board of Directors of the Acquisition and the recommendation of the Board of Directors that Shareholders vote in favour of the Share Issuance Resolution.

Consideration of Alternative Transactions

Pursuant to the Acquisition Agreement, the Board of Directors is permitted to respond to a *bona fide* request for information (that did not result from a violation of the Acquisition Agreement or any law) that would reasonably be expected to lead to an Acquisition Proposal, solely by advising that no information can be provided unless a *bona fide* written Acquisition Proposal is made, and then only in compliance with the Acquisition Agreement.

If at any time following the date of the Acquisition Agreement and prior to obtaining the approval of the Share Issuance Resolution at the Meeting, the Corporation receives an unsolicited, *bona fide* written Acquisition Proposal as permitted by the Acquisition Agreement, or such an Acquisition Proposal is otherwise publicly made, and the Board of Directors determines in good faith, after consultation with its outside legal and financial advisors, that such an Acquisition Proposal constitutes a Superior Proposal or could reasonably be expected to lead to a Superior Proposal, then Fiera Sceptre shall be permitted to:

- (a) enter into a confidentiality agreement and then provide information to the Person pursuant to Section 7.6(e) of the Acquisition Agreement;
- (b) enter into, participate and maintain discussions or negotiations with the Person making such Acquisition Proposal;
- (c) withdraw, modify, change or qualify (or publicly propose to withdraw, modify, change or qualify), in a manner adverse to Natcan, the approval or recommendation of the Board of Directors, if and only to the extent that Natcan shall have complied with Sections 7.6(d), 7.6(e) and 7.7 of the Acquisition Agreement;
- (d) approve, recommend or remain neutral with respect to, or propose publicly to approve, recommend or remain neutral with respect to, any such Acquisition Proposal, if and only to the extent that Fiera Sceptre shall have complied with Sections 7.6(d), 7.6(e) and 7.7 of the Acquisition Agreement; and
- (e) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to such Acquisition Proposal, if and only to the extent that Fiera Sceptre shall have complied with Sections 7.6(d), 7.6(e) and 7.7 of the Acquisition Agreement.

Matching Rights and Force the Vote

The Acquisition Agreement provides Natcan the right to match a Superior Proposal and to force the Meeting to proceed in certain circumstances. The Board of Directors may accept a Superior Proposal that it determines in good faith after consultation with its financial advisor and with outside counsel:

- (a) is reasonably likely to be completed without undue delay having regard to financial, legal, regulatory or other matters;

- (b) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available to the satisfaction of the Board of Directors, acting in good faith;
- (c) that is not subject to a due diligence condition; and
- (d) if consummated in accordance with its terms, will result in a transaction more favourable to Shareholders from a financial point of view (taking into account all terms and conditions including financing terms, any termination fee payable under the Acquisition Agreement and any conditions to the consummation thereof) than the transactions contemplated by the Acquisition Agreement or any amendment to the Acquisition Agreement proposed by Fiera Sceptre pursuant to Natcan's right to match,

provided that Fiera Sceptre will not accept, approve or recommend or enter into any agreement in respect of an Acquisition Proposal on the basis that it constitutes a Superior Proposal (or withdraw, modify, change or qualify its approval or recommendation in favour of the Share Issuance Resolution or that Shareholders vote in favour of the Share Issuance Resolution) unless:

- (a) it has provided Natcan with a copy of the Acquisition Proposal document which has been determined to be a Superior Proposal and, in the case of a Superior Proposal that includes any non-cash consideration, reasonable details regarding the Board of Director's valuation of the Superior Proposal;
- (b) a period (the "**Matching Period**") of five Business Days has lapsed from the date (the "**Notice Date**") that is the later of (A) the date Natcan received written notice of the Corporation's proposed determination to take such action and (B) the date Natcan received a copy of the Acquisition Proposal;
- (c) during the Matching Period, Natcan shall have the opportunity (but not an obligation) to offer to amend the terms and conditions of the Acquisition Agreement such that the Acquisition Proposal would cease to be a Superior Proposal;
- (d) after the Matching Period, the Board of Directors, (A) determines in good faith, after consultation with its financial advisors and outside counsel, that such Acquisition Proposal continues to constitute a Superior Proposal, and (B) determines in good faith, after consultation with outside legal counsel, that failure to take such action would reasonably be expected to be inconsistent with its fiduciary duties under law;
- (e) if Fiera Sceptre proposes to enter into a definitive agreement, prior to or simultaneously with taking such action, Fiera Sceptre (A) terminates the Acquisition Agreement, and (B) pays Natcan the Termination Fee; and
- (f) promptly following such termination, Fiera Sceptre enters into a definitive agreement with the Person making such Superior Proposal.

If, prior to the expiry of the Matching Period, Natcan requests in writing that the Meeting proceed in compliance with the Acquisition Agreement (any such request in writing, a "**Force the Vote Notice**"), then Fiera Sceptre will not be permitted to terminate the Acquisition Agreement but will be permitted to enter into an agreement in respect of an Acquisition Proposal on the basis that it constitutes a Superior Proposal provided such agreement (i) automatically terminates and is of no further force or effect, without any action on the part of the parties thereto, if the Share Issuance Resolution is approved at the Meeting; (ii) does not prevent the Meeting from proceeding in accordance with the Acquisition Agreement; and (iii) does not impose any termination, expense reimbursement or other fees or payments or other similar obligations on Fiera Sceptre or any of its Subsidiaries, or result in the grant of any options or rights to acquire assets or securities of Fiera Sceptre or its Subsidiaries, in each case that would be effective prior to any termination of the Acquisition Agreement or survive the Closing Time.

Fiera Sceptre further agreed that, following delivery of a Force the Vote Notice, the Meeting will be held in accordance with the Acquisition Agreement regardless of whether the Board of Directors has determined at any time that the Acquisition Agreement is no longer advisable or if it recommends that Shareholders vote against the Share Issuance Resolution or if any other change in the Board of Director's recommendation has occurred. Natcan may, at any time prior to the Meeting, by notice delivered to Fiera Sceptre, withdraw its Force the Vote Notice, in which case the provisions of this section of the Acquisition Agreement will terminate and be of no further force or effect.

Termination

The Acquisition Agreement and the transactions contemplated thereby may be abandoned at any time before the Closing Date only:

- (a) by mutual written consent of Natcan and Fiera Sceptre;
- (b) by either Natcan or Fiera Sceptre if the transactions contemplated by the Acquisition Agreement are not consummated by August 31, 2012 (or such later date as may be agreed to in writing by Natcan and Fiera Sceptre) (the "**Outside Date**"), except to the extent that such failure arises out of, or results from, a breach on the part of the Party seeking to terminate the Acquisition Agreement of any representation, warranty or covenant of such Party contained therein;
- (c) by either Natcan or Fiera Sceptre if any permanent injunction, Order, decree, ruling or other action by any Governmental Authority of competent jurisdiction having the effect of prohibiting the consummation of the transactions contemplated by the Acquisition Agreement shall have been issued, made or taken and shall have become final and non-appealable;
- (d) by either Natcan or Fiera Sceptre if the Shareholder Approval is not obtained at the Meeting;
- (e) by Natcan if:
 - (i) there has been a breach of or failure to perform any representation, warranty, covenant or agreement on the part of Fiera Sceptre set out in the Acquisition Agreement, which breach or failure to perform would be reasonably likely to cause a failure of the related conditions precedent to be satisfied by Fiera Sceptre (see "*Conditions Precedent in favour of Natcan*" above);
 - (ii) the Board of Directors has failed to publicly recommend that Shareholders vote in favour of the Share Issuance Resolution or shall have withdrawn or qualified, amended or modified in a manner adverse to Natcan such recommendation provided, however, that if Natcan exercises its right to require that the Meeting proceed in compliance with the Acquisition Agreement, then Natcan shall not be entitled to exercise such right of termination until the Share Issuance Resolution has been considered and not approved at the Meeting or until Natcan withdraws its Force the Vote Notice;
 - (iii) the Board of Directors approves or recommends or publicly proposes to approve or recommend acceptance of an Acquisition Proposal or enters into a binding written agreement in respect of an Acquisition Proposal (other than a confidentiality agreement) provided, however, that if Natcan exercises its right to require that the Meeting proceed in compliance with the Acquisition Agreement, then Natcan shall not be entitled to exercise such right of termination until the Share Issuance Resolution has been considered and not approved at the Meeting or until Natcan withdraws its Force the Vote Notice;
 - (iv) after being requested to do so in writing by Natcan, the Board of Directors does not reaffirm, in a press release, its recommendation in favour of the Acquisition and that Shareholders vote in favour of the Share Issuance Resolution, within three Business

Days after the public announcement of an Acquisition Proposal (or, in the event that the Meeting is scheduled to occur within such three Business Day period, prior to the scheduled Meeting); provided, however, that if Natcan exercises its right to require that the Meeting proceed in compliance with the Acquisition Agreement, then Natcan shall not be entitled to exercise such right of termination until the Share Issuance Resolution has been considered and not approved at the Meeting or until Natcan withdraws its Force the Vote Notice; or

- (v) Fiera Sceptre breaches its obligations in respect of its covenants regarding non-solicitation and Natcan's matching rights, in each case in any material respect;
- (f) by Fiera Sceptre if:
 - (i) there has been a breach of or failure to perform any representation, warranty, covenant or agreement on the part of Natcan or National Bank set out in the Acquisition Agreement, which breach or failure to perform, as the case may be, would be reasonably likely to cause a failure of the related conditions precedent to be satisfied by Natcan or National Bank (see "*Conditions Precedent in favour of Fiera Sceptre*" above); or
 - (ii) at any time prior to the Meeting, Fiera Sceptre has entered into a definitive agreement with respect to a *bona fide* unsolicited Superior Proposal, provided that Fiera Sceptre (A) has previously or concurrently will have paid to Natcan the Termination Fee; and (B) has complied with its covenants regarding non-solicitation and its covenants in respect of Natcan's right to match a Superior Proposal to force a vote of the Shareholders on the Share Issuance Resolution, each in accordance with the terms and conditions of the Acquisition Agreement, and provided further that Fiera Sceptre's entitlement to terminate the Acquisition Agreement pursuant to Section 13.1 thereof shall cease to apply upon the receipt of Shareholder Approval.

Termination Fee

Each of Fiera Sceptre, Natcan and National Bank has agreed that in the event of termination of the Acquisition Agreement under the various circumstances set forth below, Fiera Sceptre will pay the Termination Payment of \$3.0 million to Natcan:

- (a) if Natcan terminates the Acquisition Agreement in the circumstances described above in this section under subsection (e), clauses (ii) to (v); in which case such payment will be made within two Business Days of such termination;
- (b) if Fiera Sceptre terminate the Acquisition Agreement in the circumstance described above in this section under subsection (f), clause (ii), in which case payment shall be made concurrently or prior to such termination;
- (c) if Natcan or Fiera Sceptre terminates the Acquisition Agreement in the circumstances described above in this section under subsection (d), and where the Meeting was held after the delivery by Natcan of a Force the Vote Notice, then Fiera Sceptre shall pay the Termination Fee to Natcan within two Business Days after the delivery of the notice of termination; or
- (d) if (i) after the date Natcan and Fiera Sceptre have entered into the Acquisition Agreement, a *bona fide* Acquisition Proposal is made or proposed to Fiera Sceptre, or a person shall have publicly announced an intention to do so (which has not been withdrawn), (ii) Natcan has not delivered a Force the Vote Notice, (iii) the Shareholder Approval is not obtained prior to the Outside Date, and (iv) within 365 days after the date of the termination of the Acquisition Agreement either (A) Fiera Sceptre enters into a Contract providing for the implementation of such Acquisition Proposal and such Acquisition Proposal is subsequently consummated, or (B) such Acquisition

Proposal is consummated, in which case payment shall be made on the date on which such Acquisition Proposal is consummated.

Except as set forth above, or as otherwise expressly provided in the Acquisition Agreement, all costs and expenses incurred in connection with the Acquisition Agreement will be paid by the party incurring such cost or expense.

Material Contracts Related to the Acquisition

Registration Rights Agreement

In connection with the closing of the Acquisition, Fiera Sceptre, National Bank and Natcan will enter into a registration rights agreement (the “**Registration Rights Agreement**”) pursuant to which National Bank will have the right to require Fiera Sceptre to prepare and file a prospectus to qualify the distribution of Class A Subordinate Voting Shares which are directly or indirectly owned by National Bank (through Natcan) at the applicable time. The Registration Rights Agreement provides National Bank with the right to five demand registration rights and certain piggyback registration rights. The Registration Rights Agreement terminates in a number of circumstances, including when National Bank ceases to hold (either directly or indirectly) 5.0% of the issued and outstanding Class A Subordinate Voting Shares and when the fifth demand registration is completed.

Principal Investors Agreement and Voting Arrangements/Put Option Agreements

Under a principal investors agreement between DSF, National Bank, DJM, Arvestia, Fiera Capital and Fiera LP (the “**Principal Investors Agreement**”), and a voting arrangements/put option agreement between Jean-Guy Desjardins and National Bank (the “**Voting Arrangements Agreement**”), each of which to be effective conditional on closing of the Acquisition, among other things, the DSF Option and the JGD Put Right, as described in detail below, will be granted.

(A) DSF Option

Under the Principal Investors Agreement, DSF will have the option (the “**DSF Option**”) during the four-year period following the closing of the Acquisition to sell its direct or indirect holdings in Fiera Sceptre to National Bank and Arvestia. In the event DSF elects to exercise the DSF Option, Arvestia shall have the option, but not the obligation, to purchase all or a portion of the Class A Subordinate Voting Shares and Class B Special Voting Shares held by DSF that are subject of the exercise of the DSF Option and National Bank will be required to purchase the lesser of (i) 75% of the Class A Subordinate Voting and Class B Special Voting Shares held by DSF that are subject to the exercise of the DSF Option and (ii) the number of Class A Subordinate Voting Shares and Class B Special Voting Shares held by DSF that are subject of the exercise of the DSF Option and that Arvestia has not purchased, provided that the aggregate number of Shares subject to the DSF Option shall be limited to 6,257,960 (to be adjusted for stock splits, stock consolidations, stock dividends and similar events). The DSF Option may be exercised in whole at any time during the four-year term or in part from time to time during such term. The Class B Special Voting Shares sold pursuant to the DSF Option will be converted into an equal number of Class A Subordinate Voting Shares prior to their transfer in accordance with the terms of the Articles of Fiera Sceptre.

The price payable for DSF’s Shares upon exercise of the DSF Option will be equal to 95% of the market price of the Class A Subordinate Voting Shares as determined in accordance with Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids* (the “**Market Price**”). In the event of a sale of DSF’s indirect interest in Fiera Sceptre to Arvestia under the DSF Option, DSF shall transfer to Arvestia its Fiera Capital shares and Fiera LP units corresponding to such indirect interest. If Arvestia does not consent to the purchase of at least 25% of DSF’s Class A Subordinate Voting Shares and Class B Special Voting Shares held indirectly through Fiera LP, such Shares can be sold to a third party for a period of 90 days. As part of the DSF Option, for a corresponding period of four years, where DSF introduces a third party who wishes to purchase all of DSF’s participation pursuant to a *bona fide* offer at the Fiera Capital level and thus benefit from the rights and be subject to the obligations of the Fiera Sceptre holding structure, DSF must provide Arvestia and National Bank with the identity of such third party and the material economic terms of the offer and Arvestia and National Bank must approve such third party. Such consent or refusal must be provided to DSF by Arvestia within 10 days following the delivery by DSF to each of Arvestia

and National Bank of the identity of such third party and the material economic terms of the offer and, if applicable, by National Bank within two business days following the consent given by Arvestia. In the event that Arvestia refuses such third party, taking into consideration its commercial interests and such consent or refusal not to be unreasonably withheld, DSF shall be entitled to exercise the DSF Option for a cash consideration equal to 100% of the price offered by the third party, subject to a maximum price equal to the Market Price. In the event that Arvestia has consented to such third party, then National Bank may refuse such third party, in its entire discretion. If National Bank refuses such third party, DSF shall be entitled to exercise the DSF Option but as to 100% to National Bank for a cash consideration equal to 100% of the price offered by the third party, subject to a maximum price equal to 115% of the Market Price (the “**DSF 115% Exception**”). In circumstances where Jean-Guy Desjardins exercises the JGD Put Right (as described below), DSF would be obligated to offer for sale all of its indirect interest in Fiera Sceptre then held by DSF for a cash consideration equal to the Market Price. Such mandatory exercise by DSF extends beyond the four-year term applicable to the DSF Option but to the extent that DSF has exercised the DSF Option, in whole or in part prior to the exercise of the JGD Put Right, the following provisions shall be applicable:

- (a) if the DSF Option has been exercised in respect of all of the 6,257,960 Class A Subordinate Voting Shares and Class B Special Voting Shares directly or indirectly owned by DSF and Arvestia has declined to purchase at least 25% of such shares offered to it, this put obligation shall be restricted to the portion not previously accepted by Arvestia and Arvestia shall have the option to purchase, in whole or in part, the previously unaccepted Fiera Capital shares and Fiera LP units; provided, however, that the option of Arvestia is not on an exclusive basis and DSF shall be entitled to offer its interest in Fiera Sceptre to any other party and may accept any offer to purchase from such other party provided that the price to be paid by a third party is the same or greater than the price for which such interest would be sold to Arvestia if Arvestia accepts the offer from DSF;
- (b) if the DSF Option has been exercised for only part of the 6,257,960 Class A Subordinate Voting Shares and Class B Special Voting Shares, then the put obligation shall be applicable to Arvestia, at its option in whole or in part, for 100% of the unexercised portion and the portion not previously accepted by Arvestia, and to National Bank for the lesser of (i) 75% of the unexercised portion and (ii) the number of Class A Subordinate Voting Shares and Class B Special Voting Shares represented by the unexercised portion that Arvestia has not purchased, under the same conditions as described above;
- (c) if the DSF Option has been exercised for all or part of the 6,257,960 Class A Subordinate Voting Shares and Class B Special Voting Shares directly or indirectly owned by DSF, and within 90 days of the closing of the purchase under the DSF Option the JGD Put Right is exercised, then Arvestia shall be obligated to pay to DSF in cash an amount (not to exceed in the aggregate 115% of the Market Price) equal to the lesser of:
 - (i) 5% of the Market Price determined for the DSF Option multiplied by the number of Shares purchased by National Bank and Arvestia pursuant to the exercise of the DSF Option (the “**Sold Shares**”); and
 - (ii) the difference, if positive, between (A) the aggregate amount of proceeds DSF would have received had the Sold Shares been sold pursuant to mandatory exercise by DSF of its obligation to offer to sell Shares following the exercise of the JGD Put Right; and (B) the aggregate amount of proceeds DSF received for the Sold Shares under the DSF Option; and
- (d) Arvestia shall be obligated to close the purchase of any interest in Fiera Sceptre from DSF and Jean-Guy Desjardins/DJM and to make any cash payment to DSF required pursuant to the above paragraph concurrently with the closing of the purchase by National Bank from Jean-Guy Desjardins /DJM.

For greater certainty, the DSF Option shall apply only to 6,257,960 Shares in the aggregate.

The conditions of the DSF Option and the JGD Put Right (as defined below) will provide that their holders may not exercise the options if they are in possession of material information not known to the public and that the exercise price of the DSF Option and the JGD Put Right (as defined below) shall not exceed, as at the date of exercise of the DSF Option or the JGD Put Right, as the case may be, 115% of the Market Price of the Class A Subordinate Voting Shares as determined in accordance with Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*, on such date. The grant of the DSF Option and the JGD Put Right and the sale of the underlying shares thereof shall be in accordance with applicable securities legislation, including, without limiting the generality of the foregoing, any disclosure requirements regarding early warning statements, insider reporting and material change reports. In order to maintain the rights described above, DSF is required under the Principal Investors Agreement to maintain certain specified (i) ownership levels in; and (ii) AUM managed by Fiera Sceptre.

(B) JGD Put Right

Pursuant to the Voting Arrangements Agreement (defined above), in the event of a disagreement between Jean-Guy Desjardins and National Bank in connection with Extraordinary Business (as defined below) subject to Shareholder approval, such that Jean-Guy Desjardins, subject to certain conditions, elects to exercise his put rights under the Voting Arrangements Agreement (the “**JGD Put Right**”) and delivers an irrevocable written notice of sale (the “**Notice of Sale**”) of his intention to sell for cash all Class A Subordinate Voting Shares and Class B Special Voting Shares then indirectly owned by DJM through Fiera LP, National Bank will be required to purchase 75% of these Class A Subordinate Voting and Class B Special Voting Shares converted to Class A Subordinate Voting Shares (collectively, the “**Offered Class A Subordinate Voting Shares**”), subject to the completion of certain steps, rights and conditions. As mentioned above, if Mr. Desjardins issues the Notice of Sale, DSF shall be obliged to give a concurrent notice of sale of all of the Class A Subordinate Voting Shares and Class B Special Voting Shares then indirectly owned by DSF through Fiera LP to National Bank and Arvestia, provided the obligation of National Bank to acquire Shares from DSF pursuant to the DSF Option and pursuant to DSF’s sale obligations following the exercise of the JGD Put Right shall not exceed 4,693,470 Shares. If in connection with the JGD Put Right Arvestia purchases shares in its share capital from DJM, Arvestia shall exercise its option to purchase Shares from DSF proportionately as between Mr. Desjardins and DSF. The Voting Arrangements Agreement will also provide for the voluntary conversion by Fiera LP of all remaining Class B Special Voting Shares upon the closing of the purchase by National Bank of 75% of the Shares of Fiera Sceptre indirectly held by DJM pursuant to the JGD Put Right (being equal to 10,017,937 Shares as of the date hereof; 75% of such Shares being equal to 7,513,453 Shares on the date hereof). The Class B Special Voting Shares sold pursuant to the JGD Put Right will be converted into an equal number of Class A Subordinate Voting Shares prior to their transfer in accordance with the terms of the Articles of Fiera Sceptre. “**Extraordinary Business**” for purposes of the Voting Arrangements Agreement means any matter that comes before the Shareholders other than (i) the election of the Board of Directors’ members; (ii) the approval of the Corporation’s auditors; (iii) any transaction out of the ordinary course of business in relation to the conduct of business of the Corporation with (directly or through any affiliate) DSF, a bank, trust company, credit union, insurance company or any other financial institution engaged in activities of similar nature to those of a bank, trust company, credit union, or insurance company (including any acquisition, strategic partnering and the acquisition or creation of mutual funds to be distributed under a prospectus); and (iv) any other matter out of the ordinary course of business in relation to the conduct of business of the Corporation that would require the prior approval or consent of DSF (or an affiliate) pursuant to any agreement between Jean-Guy Desjardins (or an affiliate) and DSF (or an affiliate) entered into subsequent to the execution of the Voting Arrangements Agreement.

The purchase price of the Shares pursuant to the JGD Put Right and the Shares then indirectly owned by DSF through Fiera LP shall be equal to the Market Price of the Class A Subordinate Voting Shares as determined in accordance with Section 1.11 of Multilateral Instrument 62-104 - *Take-Over Bids and Issuer Bids* on the date of the delivery to National Bank and Arvestia of the Notice of Sale. The purchase price will be payable as follows:

- (a) 50% cash at closing and 50% in the form of a promissory note payable one year from closing and bearing interest, payable quarterly, at the National Bank one-year Guaranteed Investment Certificate rate; or
- (b) in the case of Mr. Desjardins, at his discretion, *in lieu* of the cash and the promissory note, in whole or in part, subject to TSX approval, freely tradable (subject to customary resale restrictions under applicable securities laws) common shares of National Bank,

provided that DSF will receive its consideration concurrently with receipt by Mr. Desjardins and DJM of their consideration, if such consideration is cash or National Bank common shares, and if DJM is receiving at closing more than 50% of the aggregate purchase price payable to it, including by receipt of National Bank common shares, then DSF will be entitled to receive at closing such greater percentage of the purchase price.

Upon the closing of the purchase and sale of the Offered Class A Subordinate Voting Shares by Mr. Desjardins to National Bank pursuant to the exercise of the JGD Put Right, certain events shall occur, including:

- (a) Mr. Desjardins and all his related entities shall enter into a non-compete and non-solicitation agreement for the benefit of National Bank, Fiera Sceptre and their affiliates; and
- (b) all Class B Special Voting Shares will be voluntarily converted by Fiera LP into Class A Subordinated Voting Shares on a one-for-one basis.

If Arvestia declines to purchase at least 25% of the interest offered to it from DSF (or Jean-Guy Desjardins), then DSF, Jean-Guy Desjardins and DJM shall continue to hold their remaining indirect interests in Fiera Sceptre through Fiera LP and DSF's rights under the LP Agreement, the unanimous shareholders' agreement governing Fiera Capital and the agreements entered into by DSF in connection with the Acquisition, including tag along rights but excluding the DSF Option shall continue to apply to DSF's remaining indirect ownership of Shares, if certain conditions are met or subject to certain adjustments.

Voting Arrangements Agreement

In connection with the completion of the Acquisition, Jean-Guy Desjardins and National Bank will enter into the Voting Arrangements Agreement in respect of the manner in which they will vote the Class B Special Voting Shares and the Class A Subordinate Voting Shares controlled and/or owned, directly or indirectly, by them. Pursuant to the Voting Arrangements Agreement, National Bank and Jean-Guy Desjardins will, for so long as Fiera LP holds Class B Special Voting Shares entitling Fiera LP to elect two-thirds of the Board members, vote as follows for the election of board members:

- (a) National Bank will vote, at all annual and special meetings of Shareholders to elect board members, all Class A Subordinate Voting Shares held, directly or indirectly, or controlled by National Bank in order to elect National Bank's two nominees and two independent Board members within the meaning of Section 311 of the TSX Company Manual; and
- (b) Jean-Guy Desjardins will vote and will cause Fiera LP to vote, at all annual and special meetings of Shareholders to elect board members, all Class B Special Voting Shares held, directly or indirectly, or controlled by Mr. Desjardins in order to elect Fiera LP's nominees and a sufficient number of independent Board members to ensure that the Board is composed of a majority of independent Board members as contemplated under National Instrument 52-110 – *Audit Committees*.

In the event that the Class B Special Voting Shares are converted into Class A Subordinate Voting Shares or otherwise lose their entitlement to elect two-thirds of the Board members:

- (a) National Bank will vote, at all annual and special meetings of Shareholders to elect Board members, all Shares held, directly or indirectly, or controlled by National Bank in order to elect National Bank's two nominees;
- (b) Jean-Guy Desjardins will vote and cause Fiera LP to vote, at all annual and special meetings of Shareholders to elect Board members, all Shares held directly or indirectly, or controlled by Jean-Guy Desjardins in favour of the election of the two National Bank nominees; and

- (c) the election of the other Board members shall be considered Extraordinary Business for purposes of this agreement.

Investor Rights Agreement

Concurrent upon the closing of the Acquisition, Fiera Sceptre will enter into the Investor Rights Agreement, pursuant to which, among other things, National Bank (directly or through an affiliate) will have:

- (a) the option (the “**First Option**”) to acquire, on the applicable payment date specified for the First Year, that number of Class A Subordinate Voting Shares which is equal to A minus B, where “A” is 2.5% of the total number of Shares that are to be issued and outstanding (on a non-diluted basis) on such date following the exercise of the First Option and the issuance of the First Year Payment Shares, and “B” is the number of First Year Payment Shares issued under the Acquisition Agreement; and
- (b) the option (the “**Second Option**”) to acquire, on the applicable payment date specified for the Second Year, that number of Class A Subordinate Voting Shares which is equal to A minus B, where “A” is 2.5% of the total number of Shares that are to be issued and outstanding (on a non-diluted basis) on such date following the exercise of the Second Option and the issuance of the Second Year Payment Shares, and “B” is the number of Second Year Payment Shares issued under the Acquisition Agreement,

The First Option and the Second Option, collectively, the “**NBC Options**”.

The NBC Options shall be exercised at a price per Class A Subordinate Voting Share equal to the market price of such share, calculated using the VWAP for the twenty day period prior to the applicable option date. The number of Class A Subordinate Voting Shares to be acquired as a result of an exercise of the First Option or the Second Option shall be automatically adjusted downwards to the extent that, as a result of either such exercise, National Bank would hold more than 40% of the issued and outstanding Shares (on a non-diluted basis) (not taking into account and disregarding for this purpose any Shares purchased or to be purchased by National Bank as a result of the exercise of the JGD Put Right or the DFS Option).

The issuance of First Year Payment Shares, Second Year Payment Shares and/or Class A Subordinate Voting Shares issuable upon the exercise by National Bank of the First Option and/or the Second Option could result in a change of control of Fiera Sceptre under applicable TSX rules. See “*The Acquisition – Acquisition Agreement – Purchase Price*”.

National Bank will also be entitled under this agreement to participate in future issuances of Shares upon the occurrence of certain dilutive events in order to maintain its ownership percentage of at least 35% (or such greater percentage up to 40% if the NBC Options are exercised) of the issued and outstanding Shares of Fiera Sceptre (the “**Anti-Dilution Rights**”). Such Anti-Dilution Rights will terminate in the event National Bank reduces its position in Fiera Sceptre to an ownership percentage less than 33% of the issued and outstanding Shares. Any such issuance shall be subject to receipt of all required TSX approvals and satisfaction of applicable securities laws.

Non-Competition Agreement

It is a condition precedent to the completion of the Acquisition that Natcan enter into a non-competition agreement (the “**Non-Competition Agreement**”) in favour of Fiera Sceptre. Under the agreement, Natcan will agree to a restriction on carrying on certain discretionary investment management activities on its own behalf and on behalf of its affiliates (including National Bank) for a period of up to seven years. Exclusions from the restriction will permit National Bank and its affiliates (other than Natcan) to continue to conduct existing, ancillary and certain other investment management activities. National Bank will intervene to this agreement and agree to be bound by and to comply, and cause any subsidiary to comply, with its terms.

AUM Agreement

Natcan, National Bank and Fiera Sceptre will enter into an assets under management agreement (the “**AUM Agreement**”) concurrent with the closing of the Acquisition. Under the terms of the AUM Agreement, National Bank would be required to pay certain amounts to Fiera Sceptre in the event a specified minimum asset management ratio (which may be adjusted downward, depending on whether or not Fiera meets certain performance conditions) (“**AUM Ratio**”) is not maintained. The AUM Ratio is calculated by reference to: (i) the aggregate market value of the AUM managed by Fiera Sceptre under investment management agreements with National Bank and its subsidiaries (“**Bank AUM**”); and (ii) the aggregate market value of certain specified categories of investment assets under the control or direction of National Bank and its subsidiaries.

National Bank also agreed to, and to cause its IIROC member subsidiaries (collectively, the “**IIROC Affiliates**”) to, consider reasonable requests from Fiera Sceptre to make Fiera Sceptre investment products available for sale by representatives of IIROC Affiliates through their respective distribution channels, provided that Fiera Sceptre satisfies certain due diligence and training requirements in connection with any such proposal.

The AUM Agreement also includes: (i) the methodology for evaluating investment management performance and for calculating the management fees payable to Fiera Sceptre under applicable investment management agreements, and (ii) an obligation of Fiera Sceptre to pay National Bank an annual fee of \$1.5 million (for each of the seven years of the initial term of the agreement) for services rendered by National Bank.

The initial term of the AUM Agreement is seven years. Natcan may elect to renew the initial term of the AUM Agreement for an additional three years. If Natcan elects not to renew and Fiera has met certain performance conditions based on specified benchmarks during the initial term, Natcan will be required to refund \$50 million of the Cash Consideration (as a reduction of the Purchase Price). Otherwise, if these performance conditions are not met, Natcan may elect not to renew without penalty.

If the performance conditions are met and Natcan elects to renew, Natcan will be required to refund \$50 million of the Cash Consideration (as a reduction of the Purchase Price) if a specified minimum AUM Ratio is not maintained during the renewal term.

In addition, the AUM Agreement provides Natcan and National Bank with certain early termination rights which may be exercised without penalty at any time during the term, including in the event that another financial institution or DSF acquires control of 33% or more of the issued and outstanding shares of Fiera Sceptre, and/or the right to nominate a majority of the members of the Board of Directors.

Shareholder and Other Regulatory Approvals or Relief for the Acquisition

Shareholder Approval

Approval of the Share Issuance Resolution requires the affirmative vote of at least a simple majority of the votes cast by the holders of Class A Subordinate Voting Shares present (in person or by proxy) and entitled to vote at the meeting, excluding votes attaching to the (i) 60,000 Class A Subordinate Voting Shares indirectly held by Fiera LP; and (ii) 833,333 Class A Subordinate Voting Shares held by Libermont Inc. In addition, any votes attaching to any Class A Subordinate Voting Shares held by any person who is an “insider” (as defined for purposes of the TSX Company Manual) of Fiera Sceptre and owns an interest in Arvestia are also to be excluded from such vote. To the knowledge of Fiera Sceptre, no such insider currently holds any Class A Subordinate Voting Shares.

Pursuant to the Voting Support Agreement, each of Fiera LP, the sole holder of the Class B Special Voting Shares and Jean-Guy Desjardins has agreed, among other things, to vote in favour of the transactions contemplated in connection with the Acquisition on any vote it is entitled to vote upon at the Meeting, and against any Acquisition Proposal (as defined in the Acquisition Agreement). In addition, three large institutional Shareholders representing 6.3 million Class A Subordinate Voting Shares, or approximately 40% of the issued and outstanding Class A Subordinate Voting Shares have entered into voting support agreements under which they have agreed to vote in favour of the transactions contemplated in connection with the Acquisition, subject to certain customary rights of termination in respect of such agreements, including in the event the Acquisition Agreement is terminated

in connection with the entering into by Fiera Sceptre of a superior proposal. See “*The Acquisition - Voting Support Agreements*”.

Approval of the Board Expansion Resolution and Name Change Resolution requires the affirmative vote of at least 66 2/3% of the votes cast by the Shareholders present (in person or by proxy) and entitled to vote at the Meeting.

TSX Listing Approval

Application has been made to the TSX for its approval regarding the listing of the Transaction Shares, including the Additional NBC Shares (in the case of the Additional NBC Shares, without the need to seek securityholder approval at the time any such Shares are issued on the basis that such securityholder approval is being sought at the Meeting). Although no assurance can be provided, management of Fiera Sceptre expects that such approval will be granted, subject to the approval of the issuance of the Transaction Shares (including the Additional NBC Shares) by a majority of the votes cast at the Meeting by the Independent Class A Shareholders, in person or by proxy, and other requirements customary of an approval of this nature.

Securities Law Relief

Fiera Sceptre applied on February 2, 2012 to the Autorité des marchés financiers du Québec (the “AMF”) for relief from the take-over bid requirements arising under Multilateral Instrument 62-104 – *Take-over Bids and Issuer Bids* in respect of the DSF Option and JGD Put Right. Such relief has been granted by the AMF under an order dated February 29, 2012.

Other Regulatory Approvals

The completion of the Acquisition is also subject to certain regulatory approvals and non-objections that include the approval/non-objection of the securities regulatory authorities of all provinces and territories of Canada, the approval of the Mutual Fund Dealers Association of Canada.

INFORMATION CONCERNING NATCAN

A description of the business of Natcan is set forth in Appendix “F” to this Circular.

INFORMATION CONCERNING FIERA SCEPTRE UPON COMPLETION OF THE ACQUISITION

Overview

Following the completion of the Acquisition, Fiera Sceptre will change its name to “Fiera Capital Ltd./Fiera Capital Ltée” and will continue to exist under the laws of Ontario. The business and operations of Fiera Capital will consist primarily of the current business and operations of Fiera Sceptre and Natcan. The registered office of Fiera Capital will be located at 1501 McGill College Avenue, Suite 800, Montreal, Québec H3A 3M8. The directors and executive officers of Fiera Capital will conduct the majority of their work out of Fiera Capital’s head office located at 1501 McGill College Avenue, Suite 800, Montreal, Québec, H3A 3M8.

Operations and Integration

Following the completion of the Acquisition, Fiera Sceptre intends to integrate the operations of Natcan with its own. Fiera Sceptre currently anticipates the realization of significant cost savings from the elimination of duplicate functions between the two organizations as well as a reduction in overall headcount. No other material changes to Natcan’s operations are anticipated following the Acquisition. See “*Risk Factors - Possible Failure to Realize Anticipated Benefits of the Acquisition*”.

Description of Share Capital

Fiera Sceptre will be authorized to issue an unlimited number of Class A Subordinate Voting Shares and an unlimited number of Class B Special Voting Shares. The Class B Special Voting Shares will not be issuable to any person other than Fiera LP.

Except as described below, the Class A Subordinate Voting Shares and the Class B Special Voting Shares will have the same rights, will be equal in all respects and will be treated as if they were shares of one class only.

Rank

The Class A Subordinate Voting Shares and Class B Special Voting Shares will rank equally with respect to the payment of dividends, return of capital and distribution of assets in the event of the liquidation, dissolution or winding up of Fiera Sceptre.

Dividends

The holders of outstanding Class A Subordinate Voting Shares and Class B Special Voting Shares will be entitled to receive dividends out of assets legally available at such times and in such amounts and form as the Board of Directors may from time to time determine without preference or distinction between Class A Subordinate Voting Shares and Class B Special Voting Shares.

Voting Rights

Class A Subordinate Voting Shares and Class B Special Voting Shares will each carry one vote per share for all matters other than the election of directors. With respect to the election of directors, holders of Class A Subordinate Voting Shares will be entitled, voting separately as a class, to elect one-third (rounded up to the nearest whole number) of the members of the Board of Directors, while holders of Class B Special Voting Shares will be entitled, voting separately as a class, to elect two-thirds (rounded down to the nearest whole number) of the members of the Board of Directors. Pursuant to a unanimous shareholders' agreement of Fiera Capital, as long as it holds directly or indirectly at least 15% of the Shares of Fiera Sceptre, DSF shall be entitled to appoint two of the eight directors of Fiera Sceptre that the holders of Class B Special Voting Shares are entitled to elect. If DSF holds directly or indirectly more than 5% but less than 15% of the Shares of Fiera Sceptre, it shall be entitled to appoint one of the eight directors of Fiera Sceptre that the holders of Class B Special Voting Shares are entitled to elect. Pursuant to the Voting Arrangements Agreement, National Bank shall be entitled to appoint two of the four directors of Fiera Sceptre that the holders of Class A Subordinate Voting Shares are entitled to elect.

Conversion

The Class A Subordinate Voting Shares will not be convertible into any other class of Shares. Prior to the Class B Termination Date, Class B Special Voting Shares will be convertible into Class A Subordinate Voting Shares on a one-for-one basis at any time and from time to time, at the option of the holder.

A Class B Special Voting Share will be automatically converted into one Class A Subordinate Voting Share when such Class B Special Voting Share is sold, assigned or transferred by Fiera LP to any person (other than as part of an internal reorganization). In the event Jean-Guy Desjardins exercises the JGD Put Right, all Class B Special Voting Shares will be voluntarily converted by Fiera LP into Class A Subordinate Voting Shares on a one-for-one basis. Similarly, on the 20th day following the Class B Termination Date, all outstanding Class B Special Voting Shares will be converted into Class A Subordinate Voting Shares. On the 20th day following the occurrence of a Class B Termination Date, the name of the Class A Subordinate Voting Shares will be changed to common shares.

Selected Fiera Sceptre Unaudited Pro Forma Consolidated Financial Information

See Appendix "G" to this Circular for a copy of the unaudited *pro forma* consolidated financial statements of Fiera Sceptre as at and for the year ended September 30, 2011, together with the notes related thereto.

Post-Acquisition Shareholdings and Principal Shareholders

Based on the most recent publicly available information, the following persons or companies will, upon completion of the Acquisition beneficially own, directly or indirectly, or control or direct voting securities of Fiera Sceptre carrying more than 10% of the voting rights attached to the voting securities of Fiera Sceptre:

Name	Number of Class A Subordinate Voting Shares	Percentage of Class A Subordinate Voting Shares ⁽²⁾	Number of Class B Special Voting Shares	Percentage of Class B Special Voting Shares	Percentage of Issued and Outstanding Shares
Fiera Capital LP ⁽¹⁾	60,000	0.17%	21,207,964	100%	37.66%
Cambridge Advisors, a business unit of CI Global Holdings Inc. ⁽³⁾	2,816,112	8.02%	-	-	5.00%
Goodman & Company, Investment Counsel Ltd. ⁽³⁾	1,770,572	5.04%	-	-	3.14%
CIBC Global Asset Management Inc. ⁽³⁾	1,675,990	4.77%	-	-	2.98%
Natcan	19,711,569	56.14%	-	-	35.00%

Notes:

⁽¹⁾ Fiera Capital, as general partner of Fiera LP, determines how the Class B Special Voting Shares owned by Fiera LP will be voted. On February 24, 2012 (i) Arvestia, which is controlled by DJM, a company indirectly controlled by Jean-Guy Desjardins, owns approximately 70.5% of the issued and outstanding shares of Fiera Capital; and (ii) DSF owns approximately 29.5% of the issued and outstanding shares of Fiera Capital (on a fully diluted basis, Arvestia indirectly owns 15,700,215 Class B Special Voting Shares (71.48% of the class) and DSF indirectly owns 6,257,960 Class B Special Voting Shares (28.52% of the class).

⁽²⁾ The share numbers or percentages included in the above table have been included and calculated based on the assumption that (i) immediately prior to the issuance of the Consideration Shares, 15,399,235 Class A Subordinate Voting Shares and 21,207,964 Class B Special Voting Shares are issued and outstanding, and (ii) none of Fiera Capital LP, Cambridge Advisors, a business unit of CGI Global Holdings Inc., Goodman & Company, Investment Counsel Ltd. or CIBC Global Asset Management Inc. has acquired or disposed of, or will prior to the Closing Time acquire or dispose of, any Class A Subordinate Voting Shares.

⁽³⁾ Figures based on representations provided by the securityholders in voting support agreements dated as of February 24, 2012. See “*The Acquisition - Voting Support Agreements*”.

RISK FACTORS

Shareholders should carefully consider the following risk factors related to the Acquisition. In addition to the risks set forth in the documents incorporated by reference in the Circular, the Acquisition is subject to certain risks, including the following:

Closing of the Acquisition

The Acquisition is expected to close on or prior to April 30, 2012, subject to approval by the Independent Class A Shareholders of the Share Issuance Resolution and receipt of all necessary regulatory approvals, and the other closing conditions described in the Acquisition Agreement. There can be no assurance that the parties will be able to obtain the necessary approvals or that any additional conditions or limitations will not be prescribed in connection with such approvals, compliance with which may have a material adverse effect on the prospects for the completion of the Acquisition and/or thereafter, impose additional obligations or compliance costs on the combined business or have a material adverse effect on the business, financial condition and results of operations of the combined business. Accordingly, there can be no assurance that the Corporation will complete the Acquisition on the basis described herein or on the expected closing date, if at all.

The Acquisition Agreement May be Terminated

The parties to the Acquisition Agreement have the right to terminate the Acquisition Agreement in certain circumstances. Accordingly, there is no certainty that the Acquisition Agreement will not be terminated prior to the completion of the Acquisition.

Possible Failure to Realize Anticipated Benefits of the Acquisition

Fiera Sceptre proposes to complete the Acquisition in order to realize cost efficiencies, increased scale to compete nationally and enhanced asset gathering capabilities through access to the distribution network of a major Canadian Bank. Achieving the benefits of the Acquisition depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as Fiera Sceptre's ability to realize the anticipated growth and development opportunities and synergies from combining the Purchased Assets with those of Fiera Sceptre. The integration of Purchased Assets requires the dedication of management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss and the disruption of ongoing business, customer and employee relationships that may adversely affect Fiera Sceptre's ability to achieve the anticipated benefits of the Acquisition.

Financial Risks of the Acquisition

Fiera Sceptre will finance the Cash Consideration due at the Closing Time with funds available through the Credit Facility. Fiera Sceptre believes that it will be able to satisfy all financial covenants and make all payments of principal and interest required thereunder. However, in the event Fiera Sceptre does not generate sufficient revenues, including those expected to be generated as a result of the Acquisition, there is a risk that Fiera Sceptre may not be able to satisfy all financial covenants set forth in, and/or make all required payments of principal and interest required pursuant to the terms of, the definitive documentation to be entered into in respect of the Credit Facility. Any such failure to generate revenues or satisfy its obligations under such definitive documentation could have a material adverse effect on Fiera Sceptre's business, results from operations and financial condition.

Dilutive Effect

The issue of the Transaction Shares as part of the Purchase Price, if the Acquisition is completed, will have a dilutive effect on the ownership interest of Shareholders in the Corporation. There can be no assurance that such dilution will not have an adverse impact on the price of the Shares.

STATEMENT OF EXECUTIVE COMPENSATION

General

This section of the Circular provides information regarding the compensation of the Chief Executive Officer (the "CEO"), Senior Vice President, Finance and the three other most highly compensated executive officers of Fiera Sceptre, collectively the Named Executive Officers ("NEOs"), as well as for each director, for Fiera Sceptre's 2011 financial year ending on September 30, 2011.

Compensation Discussion and Analysis

The Human Resources Committee (the "**HR Committee**") is responsible for reviewing and making recommendations to the Board of Directors regarding all matters related to the compensation of Fiera Sceptre's executive officers. The members of the HR Committee are Mr. Jean C. Monty (Chair), Mr. Denis Berthiaume and Mr. David R. Shaw.

The HR Committee's objectives are as follows:

- to compensate the executives in a fair and competitive manner;
- to ensure proper succession planning for key positions;
- to ensure performance is appropriately rewarded; and
- to align the interests of executive officers with those of Shareholders and clients.

The HR Committee works to obtain the necessary information to support its compensation recommendations to the Board of Directors. The HR Committee engages in active discussions with the CEO concerning the determination of performance objectives, including individual goals for the NEOs. The HR Committee may retain any independent consultants to support its activities. The HR Committee directs the CEO and the Senior Vice President, Human Resources, to provide initial analysis and commentary, including business goals, corporate performance, individual goals, individual performance and investment performance. These discussions consider whether, and to what extent, criteria for the previous year have been achieved for those individuals. Fiera Sceptre's Senior Vice President, Human Resources, acts as the Secretary of the HR Committee.

NEO compensation consists of (i) base salary; (ii) short term incentive plan (“**STIP**”); (iii) stock options; (iv) employee share purchase plan; (v) contributions to a defined contribution pension plan; and (vi) benefits. Each of these elements is described below.

Benchmarking

As a general practice, Fiera Sceptre's relative position in terms of compensation levels is determined through studies performed by independent consulting firms such as Mercer, Towers Watson and Aon/McLagan using a selected reference market of comparable companies composed of Canadian money management firms. From time to time, Fiera Sceptre engages Mercer (Canada) Ltd. (“**Mercer**”) or other consultants to advise whether the compensation positioning of Fiera Sceptre is still aligned with the reference market. Fiera Sceptre also reviews general industry compensation information in the financial services industry in Canada. During the summer of 2011, a specific survey was conducted by Mercer to benchmark the bonus criteria used in our reference market for the positions of CEO and Chief Investment Officer and President and Chief Operating Officer (“**COO**”). No changes were made as a result of Mercer's survey results since it only confirmed that our current practices are in line with industry practice. Consistent with industry practice, compensation levels are determined by direct reference to the overall profitability of the firm and based on an assessment of individual performance as described below under the heading “Short Term Incentive Plan”. The main criteria used, other than the profitability, are the investment performance measured in line with client objectives and the new net revenues achievements against the budgeted objectives.

The HR Committee has the authority to retain any independent consultants of its choice to advise its members on total executive compensation policy matters.

Base Salary

The base salaries for NEOs are the fixed component of their annual compensation. It is the HR Committee's objective that base salaries are competitive with industry peers and are targeted at the median for Fiera Sceptre's reference market. Base salaries are reviewed each year against compensation surveys conducted by independent consultants and other publicly-available information and may be increased as required based on individual performance, any increase in the NEO's role within Fiera Sceptre or based on changes in market salary levels.

Short Term Incentive Plan (“STIP”)

The STIP is an integral part of Fiera Sceptre's compensation philosophy and is a variable component of the NEO's compensation. The STIP is designed to (i) ensure that total cash compensation paid to the NEOs for the year is appropriate in light of Fiera Sceptre's performance and the NEO's individual contributions to Fiera Sceptre; (ii) align the NEO's interests with those of Shareholders, clients and Fiera Sceptre; (iii) pay for performance; and (iv) attract, retain and motivate the NEOs. Base salary is considered by the HR Committee when setting STIP awards, with the intent that base salary plus STIP awards properly reflect the NEO's individual contribution to Fiera Sceptre and Fiera Sceptre's overall performance and provides pay above the market median for superior performance.

The aim of the STIP is to attract, retain and motivate the best professionals in the marketplace. All permanent employees hired at least three months prior to the end of each STIP reference year are eligible for a bonus for that year. The STIP reference year runs for a period of 52 weeks starting October 1st of the year and

ending on September 30th, except for the “investment performance” component for which the reference period runs from January 1st until December 31st. A target bonus and a maximum bonus are set as a percentage of the base salary of each participant at the beginning of the reference year. A bonus payment at the target level will be paid to a participant for the successful completion of such participant’s objectives under the STIP.

Objectives are set in respect of the following (i) Fiera Sceptre’s profitability and/or new revenues budgeted; (ii) investment performance; (iii) sales; and (iv) individual performance. Bonuses are payable on a quarterly, semestrial and annual basis to the participant, depending on the criteria applicable to the participant and are calculated in accordance with the STIP. Bonuses for the CEO and President and COO are recommended by the HR Committee and approved by the Board of Directors. Bonuses for all employees that directly report to the CEO and President and COO are approved by the HR Committee. Bonuses for all other employees are approved by the CEO and President and COO.

The HR Committee is responsible for the STIP, including recommending to the Board of Directors any action to be taken with respect to its implementation, management, continuation, suspension or termination of the STIP. At the beginning of each reference year, the financial objectives (profitability and new revenues) that will apply under the plan in respect of the year are recommended by the Chairman and CEO to the HR Committee, and then submitted by the HR Committees to the Board of Directors for approval.

The day-to-day management of the STIP, including the interpretation of the rules, goal setting, performance measures and the bonus calculation is the responsibility of the Chairman and CEO and President and COO in collaboration with the Senior Vice President, Human Resources.

Stock Option Plan

The 2007 Stock Option Plan was approved by the shareholders of Sceptre on May 7, 2007. Following the implementation of the Arrangement, the 2007 Stock Option Plan is the only stock option plan of Fiera Sceptre under which new grants can currently be made.

Pursuant to the Arrangement, each outstanding option of Sceptre (including those options issued pursuant to the 2007 Stock Option Plan and the 1998 Stock Option Plan, respectively) (a “**Sceptre Option**”) that was not duly exercised prior the effective date, whether or not vested, was exchanged for Class A Subordinate Voting Share Options on the basis of one Class A Subordinate Voting Share Option for each Sceptre Option held immediately prior to the effective date. Given that the implementation of the Arrangement resulted in a change of control for purposes of the 2007 Stock Option Plan, all Class A Subordinate Voting Share Options that were issued in exchange for Sceptre Options vested and became immediately exercisable as of September 1, 2010. The exercise price per Class A Subordinate Voting Share issuable upon exercise of each Class A Subordinate Voting Share Option is equal to the exercise price per share under which the Sceptre Option which it replaced.

In addition, each option of Fiera Capital Inc. (a “**Fiera Option**”) was exchanged pursuant to the Arrangement for an option (a “**Replacement Option**”) to purchase a number of Class A Subordinate Voting Shares equal to 0.463 (the “**Replacement Option Exchange Ratio**”), multiplied by the number of common shares of Fiera issuable upon the exercise of such Fiera Option. Each such Replacement Option provides for (i) an exercise price per Class A Subordinate Voting Share of \$3.67 (the “**Replacement Option Exercise Price**”), and (ii) a vesting schedule that is identical to the vesting schedule applicable to the Fiera Option that was exchanged for such Replacement Option. Pursuant to the Arrangement, a total of 1,767,628 Fiera Options were exchanged for a total of 818,412 Replacement Options. The Replacement Option Exchange Ratio and the Replacement Option Exercise Price were calculated so as to keep constant the in-the-money amount associated with the Fiera Options on the announcement date. The terms and conditions of such replacement Options are otherwise identical to those which apply to the Class A Subordinate Voting Share Options. Such Replacement Options were issued and outstanding outside of the 2007 Stock Option Plan. Any Replacement Option that is or has been cancelled or otherwise terminated is or will therefore not be available for re-granting under the 2007 Stock Option Plan.

The 2007 Stock Option Plan was amended on August 24, 2010 to increase the total number of Class A Subordinated Voting Shares reserved for issuance from 1,000,000 to 2,021,588 in order to accommodate the grant of options to key employees in the context of the Arrangement, to allow for future grants under the plan and to

formalize the vesting rules. As at February 24, 2012, a balance of 1,003,228 Options remain available for future grants under the 2007 Stock Option Plan.

The 2007 Stock Option Plan was established to align compensation with returns to Shareholders and to encourage stock ownership by officers, employees and consultants of Fiera Sceptre, providing long-term incentives to officers of Fiera Sceptre and attracting new employees, officers and consultants to Fiera Sceptre. Options are granted by the Board of Directors under the 2007 Stock Option Plan from time to time when considered appropriate by the HR Committee based on the recommendation from the CEO. In determining whether to grant Options to an employee, the HR Committee and the CEO evaluate the employee, having regard to the following factors (i) the employee's demonstrated ability and leadership in taking initiatives to create value for the firm, (ii) the employee's ability to properly represent Fiera Sceptre, (iii) the employee's alignment with Fiera Sceptre's core values, and (iv) the employee's potential to assume increased responsibilities with Fiera Sceptre. Under the terms of the 2007 Stock Option Plan, Options may be granted to employees and officers and consultants of Fiera Sceptre to purchase Class A Subordinate Voting Shares. The exercise price of Options is established by the Board of Directors at the time each Option is granted provided that such price shall not be less than the VWAP of the Class A Subordinate Voting Shares on the TSX for the five trading days immediately preceding the day the Option is granted. The maximum number of Class A Subordinate Voting Shares issuable to insiders, at any time, pursuant to the 2007 Stock Option Plan and any other security based compensation arrangements of Fiera Sceptre (including earlier stock option plans), is 10% of the total number of Shares then outstanding, on a non-diluted basis. In addition, the maximum number of Shares issued to insiders, within any one year period, pursuant to the 2007 Stock Option Plan and any other security based compensation arrangements of Fiera Sceptre is 10% of the total number of Shares then outstanding, on a non-diluted basis. Options granted pursuant to the 2007 Stock Option Plan are non-assignable and non-transferable. As at date of this Circular, the Board of Directors adheres to a policy to the effect that Options are granted only to employees and officers who are already direct or indirect shareholders of Fiera Sceptre.

If an optionee resigns, retires or is terminated with or without cause (including, for an officer of Fiera Sceptre, if such officer is removed or not re-elected or re-appointed as an officer of Fiera Sceptre), then any Options held by the optionee will cease to be exercisable within a period of 30 days after the resignation, retirement or termination date, as the case may be, or such longer period as determined by the HR Committee provided that such longer period may not result in an option remaining outstanding for any period which exceeds the earlier of: (i) the expiry date of such option, and (ii) 36 months following the resignation, retirement or termination date, as the case may be. Any portion of an option that has not vested on the resignation, retirement or termination date, as the case may be, will not be exercisable after such date unless the HR Committee determines that such portion of the option vests automatically or pursuant to a vesting schedule determined by the HR Committee. If an optionee dies, the legal representatives of the optionee may exercise the Options held by such optionee within a period of time after the date of the optionee's death determined by the HR Committee, provided that no option shall remain outstanding for any period which exceeds the earlier of (i) the expiry date of such option and (ii) 12 months following the date of death, but only to the extent the Options were by their terms exercisable on the date of death. The HR Committee may determine at any time, that such a portion of the option vests automatically or pursuant to a vesting schedule determined by the HR Committee.

General amendments can be made to the 2007 Stock Option Plan without approval of the Shareholders, including, but not limited to, amendments:

- of a 'housekeeping' nature;
- any change to vesting provisions of a security;
- any change to the termination provisions of a security or of the plan itself; and
- any addition of a cashless exercise feature, which provides for a full deduction of the number of underlying securities from the reserve of the plan.

Certain amendments to the 2007 Stock Option Plan are subject to the approval of Shareholders, including, but not limited to, any:

- change to the number of securities issuable pursuant to the plan;
- change to the definition of eligible participants;

- addition of any form of financial assistance;
- addition of a cashless exercise feature, which does not provide for a full deduction of the number of underlying securities from the reserve of the plan;
- addition of a deferred or restricted Share unit or any other provision which results in participants receiving securities while no cash consideration is received by Fiera Sceptre;
- provisions granting additional powers to the Board of Directors to amend the plan or entitlements thereto;
- reduction in the exercise price of Options or other entitlements held by insiders; and
- changes to the insider participation limits.

With the exception of those Options issued in exchange for Sceptre Options as described above, all new Options granted under the 2007 Stock Option Plan have been granted under agreements which provide that the Options vest over a five year period and may be exercised over a maximum period of ten years.

In the event of a change of control of Fiera Sceptre, all Options outstanding but not yet vested may be exercised. In connection with any proposed sale or conveyance of all or substantial all of the property and assets of Fiera Sceptre or any proposed merger, consolidation, amalgamation or offer to acquire all of the outstanding Shares (collectively, a “**Proposed Transaction**”), Fiera Sceptre may give notice to all optionees advising that their respective Options may be exercised only within 30 days after the date of the notice and not thereafter, and that all rights of the participant not exercised will terminate at the expiration of the 30 day period, provided that a Proposed Transaction is completed within 180 days after the date of the notice.

Employee Share Purchase Plan

On October 6, 2011, the Board of Directors adopted an employee share purchase plan (the “**Employee Share Purchase Plan**”), to offer eligible employees, defined as permanent employees of Fiera Sceptre and its wholly-owned subsidiaries who hold a position of vice-president or higher, the opportunity to subscribe to Class A Subordinate Voting Shares. Participation in the Employee Share Purchase Plan is entirely voluntary. The purpose of the Employee Share Purchase Plan is to enable Fiera Sceptre to attract and retain employees and to permit them to participate in the growth and development of Fiera Sceptre. The maximum number of Class A Subordinate Voting Shares issuable pursuant to the Employee Share Purchase Plan is 1.5 million.

The subscription price for the Class A Subordinate Voting Shares issuable pursuant to the Employee Share Purchase Plan is equal to the volume-weighted average trading price (the “**VWAP**”) of the Class A Subordinate Voting Shares traded on the Toronto Stock Exchange for a period of five trading days preceding the subscription date. The Employee Share Purchase Plan does not provide for assistance from Fiera Sceptre for eligible employees who wish to acquire Class A Subordinate Voting Shares by way of the Employee Share Purchase Plan.

The number of Class A Subordinate Voting Shares issuable to insiders of Fiera Sceptre at any time under the Employee Share Purchase Plan or when combined with all of Fiera Sceptre’s other security based compensation arrangements, may not exceed 10% of the issued and outstanding shares of Fiera Sceptre. The number of Class A Subordinate Voting Shares issued to insiders of Fiera Sceptre, within any one year period under the Employee Share Purchase Plan or when combined with all of Fiera Sceptre’s other security based compensation arrangements, may not exceed 10% of the issued and outstanding shares of Fiera Sceptre. Further, insiders of Fiera Sceptre may not purchase 10% or more of the Class A Subordinate Voting Shares issuable under the Employee Share Purchase Plan and any private placement within any six month period.

The Employee Share Purchase Plan is administered by the Board of Directors. The Board of Directors has full authority to interpret the Employee Share Purchase Plan and to make rules and regulations and establish procedures for its administration as it deems appropriate, taking into consideration the recommendations of Fiera Sceptre’s management. Decisions made by the Board of Directors are final and conclusive. The Board of Directors may delegate its authority to administer the Employee Share Purchase Plan to the HR Committee. In such a case, the HR Committee shall exercise all powers given to the Board of Directors under the Employee Share Purchase Plan, subject to any express direction by resolution of the Board of Directors, and provided that a decision of the

majority the Board of Directors in respect of any matter under the Employee Share Purchase Plan shall be binding and conclusive.

The number of Class A Subordinate Voting Shares available pursuant to the Employee Share Purchase Plan shall be adjusted appropriately by the Board of Directors in the event of a declaration of stock dividends, stock subdivisions or consolidations, reconstruction, reorganization or recapitalization of Fiera Sceptre or other relevant changes to Fiera Sceptre's capitalization (other than issuance of additional shares of Fiera Sceptre) to prevent substantial dilution or enlargement of the rights granted to eligible employees by the Employee Share Purchase Plan and such adjustment shall be binding for all purposes of the Employee Share Purchase Plan.

Defined Contribution Pension Plan

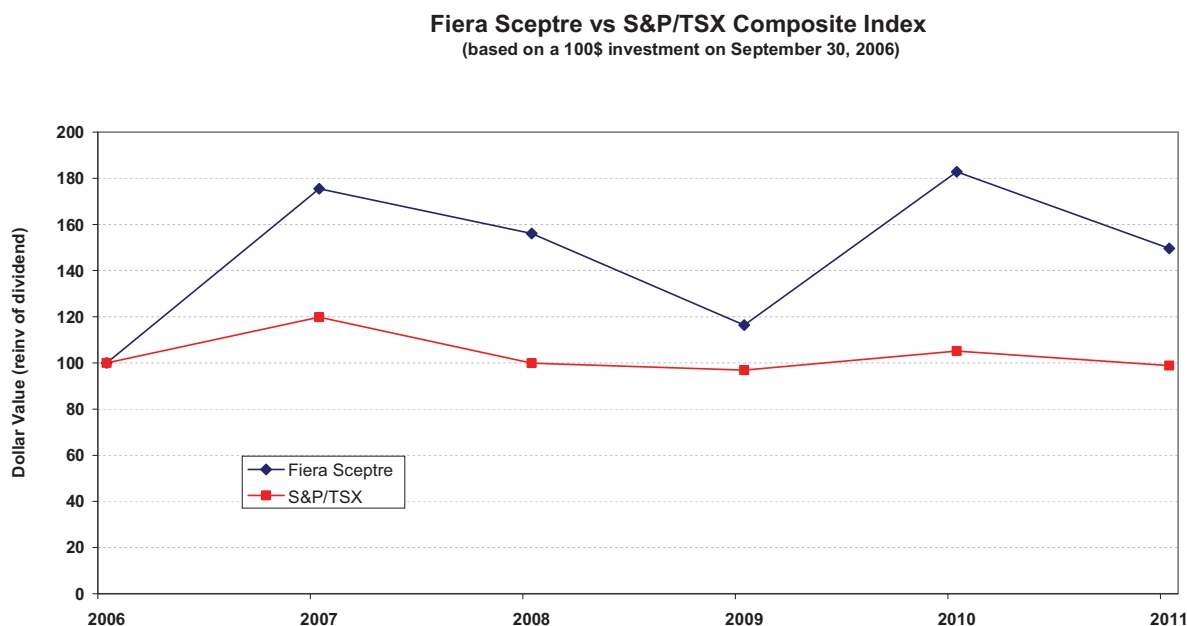
The NEOs participate in a defined contribution pension plan sponsored by Fiera Sceptre under which Fiera Sceptre pays an amount equal to 2% of base salary. The NEOs can contribute up to 6% of their base salary and Fiera Sceptre will match between 25% to 150% of their contribution, depending on the NEO's seniority. Contribution amounts are subject to limits prescribed under the *Income Tax Act* (Canada). See "Pension Plan".

Benefits

The NEOs participate in the same corporate benefits program as other Fiera Sceptre employees, which provides health benefits, dental benefits, life insurance and long term and short-term disability insurance.

Performance Graph

The following graph compares the cumulative Shareholder return per \$100 invested in Class A Subordinate Voting Shares compared to the cumulative total return of the S&P/TSX Composite Index from September 30, 2006 to September 30, 2011. The calculations include reinvested dividends but exclude brokerage fees and taxes. For the period preceding September 1, 2010, being the completion date of the Arrangement, the calculations relate to the common shares of Sceptre.



The Board of Directors believes that the most important contribution the NEOs can make to enhance Total Shareholder Return (“TSR”) is to grow the income of Fiera Sceptre and hence the compensation of the NEOs is substantially linked to such growth, as outlined under the compensation discussion and analysis. Year-over-year TSR is however heavily influenced by factors other than growth in income and consequently there may be considerable variability of NEO compensation as compared to TSR over any relatively short measurement period.

Summary Compensation Table

The following table sets forth the total compensation for services in all capacities to Fiera Sceptre earned during the 2011 financial year by each of Fiera Sceptre’s NEOs.

Name and Principal Position	Fiscal Year	Salary (\$)	Share-based Awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other Compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Jean-Guy Desjardins Chairman of the Board, Chief Executive Officer and Chief Investment Officer	2011	486,692 ⁽¹⁾	-	703,755	598,842 ⁽²⁾	-	15,035	-	1,804,324
	2010	36,667 ³	-	-	634,308	-	13,798	150,000 ⁽⁴⁾	834,773
	2009	-	-	-	-	-	-	-	-
Pierre Blanchette Senior Vice President, Finance	2011	194,154 ⁽⁵⁾	-	-	91,313	-	11,442	-	295,909
	2010	14,167 ⁽³⁾	-	-	97,670	-	5,651	30,000 ⁽⁴⁾	147,488
	2009	-	-	-	-	-	-	-	-
David Pennycook Vice Chairman and Executive Vice President Institutional Markets	2011	275,000	-	244,308	525,000 ⁽⁶⁾	-	20,696	-	1,065,004
	2010	277,917	38,424	-	290,485 ⁽⁷⁾	-	-	33,276 ⁽⁸⁾ 270,000 ⁽⁹⁾	910,102
	2009	340,000	165,460	-	315,500	-	-	143,290 ⁽⁸⁾ 135,000 ⁽⁹⁾	1,099,250
Sylvain Brosseau President and Chief Operating Officer	2011	345,000 ⁽¹⁰⁾	-	-	308,345	-	16,069	-	669,414
	2010	27,083 ⁽³⁾	-	129,268	409,630	-	12,864	150,000 ⁽⁴⁾	728,845
	2009	-	-	-	-	-	-	-	-
Jim Craven Executive Vice President, Investor Solutions	2011	212,019 ⁽¹¹⁾	-	-	219,636	-	14,590	-	446,245
	2010	16,667 ⁽³⁾	-	-	202,684	-	12,058	-	231,409
	2009	-	-	-	-	-	-	-	-

Notes:

⁽¹⁾ Mr. Desjardins’s annual base salary was increased from \$ 440,000 to \$ 500,000 as of January 1st, 2011.

⁽²⁾ Mr. Desjardins’s target bonus was increased from 100% to 115% as of January 1st, 2011.

⁽³⁾ Salary for the month of September 2010 only as this NEO was appointed on September 1, 2010 upon completion of the Arrangement.

⁽⁴⁾ Special bonus related to the successful completion of the Arrangement.

⁽⁵⁾ Mr. Blanchette’s annual base salary was increased from \$ 170,000 to \$ 200,000 as of January 1st, 2011.

⁽⁶⁾ Mr. Pennycook had a guaranteed bonus of \$ 525,000 for the fiscal year 2010-2011.

⁽⁷⁾ The amount shown is for nine months starting December 1st, 2009 and includes the August award that was paid in cash pursuant to the Managing Director Long Term Incentive Plan of Sceptre (“MDLTIP”), which was terminated upon completion of the Arrangement. For a description of the MDLTIP, please refer to the Management Information Circular of Sceptre dated April 8, 2010, a copy of which is available on SEDAR at www.sedar.com.

⁽⁸⁾ Represents the income tax on the share based plan awards remitted by Fiera Sceptre on behalf of the Plan participant.

⁽⁹⁾ Payment for temporary Chief Executive officer duties and responsibilities.

⁽¹⁰⁾ Mr. Brosseau’s annual base salary was increased from \$ 325,000 to \$ 350,000 as of January 1st, 2011.

⁽¹¹⁾ Mr. Craven’s annual base salary was increased from \$ 200,000 to \$ 215,000 as of January 1st, 2011.

Incentive Plan Awards

The significant terms of all plan-based awards and non-equity incentive plan awards, issued or vested, or under which Options have been exercised, during the financial year, or outstanding at the end of the financial year are described herein under the section entitled “Compensation Discussion and Analysis”.

Outstanding Option-Based and Share-Based Awards

The following table sets out for each NEO all option-based and share-based awards outstanding as at September 30, 2011.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Jean-Guy Desjardins Chairman of the Board, Chief Executive Officer and Chief Investment Officer	250,000	8.50	December 7, 2020	0	-	-
Pierre Blanchette Senior Vice President, Finance	-	-	-	-	-	-
David Pennycook Vice Chairman and Executive Vice President, Institutional Markets	90,278	8.3077	October 5, 2020	0	-	-
Sylvain Brosseau President and Chief Operating Officer	204,603	3.67	September 30, 2019	546,290	-	-
Jim Craven Executive Vice President, Investor Solutions	-	-	-	-	-	-

Note:

⁽¹⁾ The stock price was at \$6.34 at closing on September 30, 2011.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes, for each of the NEOs, the value of option-based awards, if any vested during the financial year ended September 30, 2011, the value of share-based awards vested during the financial year ended September 30, 2011, if any, and the value of non-equity incentive plan compensation earned during the financial year ended September 30, 2011, if any.

Name	Option-based awards – value vested during the year (\$)	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jean-Guy Desjardins Chairman of the Board, Chief Executive Officer and Chief Investment Officer	-	-	598,842
Pierre Blanchette Senior Vice President, Finance	-	-	91,313
David Pennycook Vice Chairman and Executive Vice President, Institutional Markets	-	-	525,000
Sylvain Brosseau President and Chief Operating Officer	109,258	-	308,345
Jim Craven Executive Vice President, Investor Solutions	-	-	219,636

Pension Plan

Fiera Sceptre's employees and officers participate in a defined contribution pension plan sponsored by Fiera Sceptre, which pays into each employee's defined contribution pension plan an amount equal to 2% of base salary. Employees can contribute up to 6% of their base salary and Fiera Sceptre will match between 25% to 150% of their contribution depending on their seniority. The maximum amount is subject to the limit set by Revenue Canada. The amounts of benefits from Fiera Sceptre to the NEOs are included in the "Pension Value" column in the Summary Compensation Table above.

Participants under the plan are entitled to a pension benefit as of the early retirement age of 55. The normal retirement age under the plan is 65. Although the plan does not prescribe a compulsory retirement age, participants' monthly pension must commence no later than December 31 of the year they turn 71.

Upon retirement, participants are entitled to buy a life annuity, the amount of which will depend on the accumulated value of the contributions made in their account, the type of annuity selected and the cost of purchasing an annuity at that time. Upon termination of employment or death, participants (or their beneficiary) are entitled to a benefit equal to the accumulated value of the contributions made in their account or may transfer the accumulated value of the contributions made in their account to another registered plan.

Defined Contribution Plans Table

Name	Accumulated value at start of year (\$)	Compensatory (\$)	Non-compensatory (\$)	Performance (\$)	Accumulated value at year end (\$)
Jean-Guy Desjardins	120,745	15,035	7,216	6,905	148,734
Pierre Blanchette	47,897	11,442	6,675	-2,789	62,740
David Pennycook	0	20,696	9,976	-4,909	25,639
Sylvain Brosseau	136,918	16,069	12,799	326	164,778
Jim Craven	77,525	14,590	10,390	-1,900	99,857

Termination and Change of Control Benefits

Employment contracts

None of the employment agreements entered into by Fiera Sceptre with each of Jean-Guy Desjardins, Sylvain Brosseau, Pierre Blanchette, David Pennycook and Jim Craven contain termination rights or any provision for payments upon a change of control.

2007 Stock Option Plan Acceleration on Change of Control

The 2007 Stock Option Plan provides that in the event of a change of control, all outstanding Options under this plan shall become immediately exercisable.

Director Compensation

The main purposes of Fiera Sceptre's director compensation policy is to enable Fiera Sceptre to (i) retain or recruit qualified and competent directors; (ii) promote their work and their performance with Fiera Sceptre; (iii) compensate them for their work and their performance with Fiera Sceptre; and (iv) compensate them for the key contribution to optimizing the investment of shareholders in the Corporation. The directors eligible to be compensated are those that are elected by the holders of Class A Subordinate Voting Shares. Moreover, directors who are also full time executive officers of the Corporation shall not receive any compensation for acting as directors. The director compensation policy of Fiera Sceptre provides that every eligible director is entitled to a fixed annual compensation of \$30,000. In addition to this retainer, the eligible directors are entitled to the following fees:

- \$1,500 for each meeting of the Board of Directors or committee attended in person;
 - regularly scheduled meetings attended by phone: 66% of rate applicable to meeting attended in person;
 - ad hoc meetings attended by phone: 75% of rate applicable to meeting attended in person;
- \$5,000 per year for the Chair of any committee, excluding the Audit Committee;
- \$10,000 per year for the Chair of the Audit Committee; and
- \$5,000 per year for the Lead Director (this additional compensation is effective as at January 1, 2012).

In addition to the foregoing, if, in the opinion of the Chairman of the Board of Directors, the Board of Directors or a committee has experienced or will experience an unusually high level of activity, designated eligible director shall be entitled to additional compensation.

Prior to the date of completion of the Arrangement, up to 100% of the retainer could be paid in the form of deferred share units of the Corporation ("DSU's") pursuant to the deferred share unit plan (the "**DSU Plan**"). The DSU Plan was adopted by the Board of Directors during 2007 with the main purpose of strengthening the alignment of interest between the directors and the shareholders of the Corporation, by linking a portion of annual director compensation to the future value of the shares of the Corporation. Under the DSU Plan, each director received on the date in each quarter which is three business days following the publication by the Corporation of its earnings results for the previous quarter, that number of DSU's having a value of up to 100% of such directors base retained for the current quarter, provided that a minimum of 50% of the base retainer must be in the form of DSU's (with an exception for non-Canadian resident directors). The number of DSU's granted to a director is determined by dividing the dollar value of the portion of the directors' fees to be paid in DSU's by the closing price of the shares on the TSX for the business day immediately preceding the date of the grant. At such time as the director ceases to be a director, the Corporation makes a cash payment to the director, equal to the market value of a share on the date of departure, multiplied by the number of DSU's held on that date.

Following the completion of the Arrangement, the Board of Directors of Fiera Sceptre adopted a new compensation policy for the directors of Fiera Sceptre and decided that no more DSU's would be granted to directors unless otherwise resolved by the Board of Directors, provided that outstanding DSU's held by three directors of Fiera Sceptre will remain outstanding and continue to be governed by the DSU Plan.

Director Compensation Table

The following table sets out the compensation provided to the directors who were not NEOs of Fiera Sceptre during the financial year ended September 30, 2011.

Name	Fees earned (\$)	Share-based Awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other Compensation (\$)	Total (\$)
Arthur R.A. Scace	38,115	-	-	-	-	-	38,115
David R. Shaw	53,990	-	-	-	-	-	53,990
W. Ross Walker	53,250	-	-	-	-	-	53,250
Christiane Bergevin	-	-	-	-	-	-	-
Denis Berthiaume ⁽¹⁾	-	-	-	-	-	-	-
Jean C. Monty	-	-	-	-	-	-	-
Neil Nisker	-	-	-	-	-	-	-

Note:

⁽¹⁾ Mr. Berthiaume was appointed as a director of Fiera Sceptre as at December 8, 2010.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out all option and share awards outstanding as at September 30, 2011, if any, for each of the directors who are not NEOs of Fiera Sceptre.

Name	Option-based Awards (Options)				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)⁽²⁾
Arthur R.A. Scace	-	-	-	-	6,065 ⁽³⁾	38,452
David R. Shaw	-	-	-	-	6,065 ⁽³⁾	38,452
W. Ross Walker	-	-	-	-	18,196 ⁽³⁾	115,363
Christiane Bergevin	-	-	-	-	-	-
Denis Berthiaume	-	-	-	-	-	-
Jean C. Monty	-	-	-	-	-	-
Neil Nisker	-	-	-	-	-	-

Notes:

⁽¹⁾ Mr. Berthiaume was appointed as a director of Fiera Sceptre as at December 8, 2010.

⁽²⁾ The closing market price of the Fiera Sceptre shares on the TSX was \$6.43 on September 30, 2011 and it was used to calculate the value.

⁽³⁾ Includes number of DSU's granted as dividend equivalents through the DSU Plan.

Incentive plan awards – value vested or earned during the year

The following table summarizes, for each of the directors who are not NEOs of Fiera Sceptre, the value of option-based awards vested during the financial year ended September 30, 2011, if any, the value of share-based awards vested during the financial year ended September 30, 2011, if any, and the value of non-equity incentive plan compensation earned during the financial year ended September 30, 2011, if any.

Name	Option-based awards – value vested during the year (\$)	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Arthur R.A. Scace	-	-	-
David R. Shaw	-	-	-
W. Ross Walker	-	-	-
Christiane Bergevin	-	-	-
Denis Berthiaume ⁽¹⁾	-	-	-
Jean C. Monty	-	-	-
Neil Nisker	-	-	-

Note:

⁽¹⁾ Mr. Berthiaume was appointed as a director of Fiera Sceptre as at December 8, 2010.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which equity securities of Fiera Sceptre are authorized for issuance as at February 24, 2012.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by securityholders	1,630,072	\$5.94	1,003,228
Equity compensation plans not approved by securityholders	-	-	
Total	1,630,072	\$5.94	1,003,228

Note:

⁽¹⁾ Represents Options remaining available for future grants under the 2007 Stock Option Plan. All issued and outstanding stock options under the 1998 Stock Option Plan expired as at September 27, 2011 and no additional grants are available under the 1998 Stock Option Plan.

OTHER INFORMATION

Indebtedness of Directors, Officers and Employees

For Fiera Sceptre's financial year ended September 30, 2011 and as of the date of this Circular, there was no indebtedness owing to Fiera Sceptre by any officer, director, employee or former officer, director or employee of Fiera Sceptre, or by any associate of any such person, nor was any indebtedness of any such person the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding by Fiera Sceptre or any of its subsidiaries, other than routine indebtedness.

Interest of Informed Persons in Material Transactions

Other than as disclosed in this Circular or in the 2011 AIF, no informed person or proposed director of Fiera Sceptre are aware of any material interest of any informed person, or any associate or affiliate of such informed person, in any transaction since the beginning of the most recently completed financial year which has

materially affected Fiera Sceptre or any of its subsidiaries or in any other proposed transaction which would materially affect Fiera Sceptre or any of its subsidiaries.

Interest of Certain Persons in Matters to be Acted on at the Meeting

Other than as disclosed in this Circular or in the 2011 AIF, management of the Corporation is not aware of any material interest of any director or senior officer or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted upon at the Meeting.

Directors' and Officers' Insurance

Fiera Sceptre purchases directors' and officers' liability insurance coverage for the benefit of the Corporation, its directors and officers, subject to all the terms, conditions and exclusions of the policy. The limit of insurance provided is \$15,000,000 per occurrence and in the annual aggregate.

Corporate Governance Disclosure

The Board of Directors considers good corporate governance practices to be a key factor in the overall success of Fiera Sceptre. In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, Fiera Sceptre is required to disclose its corporate governance practices. Appendix "H" sets out a description of such practices.

Particulars of other Matters to be Acted Upon

Management of Fiera Sceptre is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If other matters properly come before the Meeting, it is the intention of the person named in the accompanying form of proxy to vote the Shares represented thereby in accordance with his or her best judgment on such matters.

Interests of Experts

Samson Bélair/Deloitte & Touche s.e.n.c.r.l. are the auditors of Fiera Sceptre and have advised Fiera Sceptre that they are independent within the meaning of the Code of Ethics of the Ordre des comptables agréés du Québec. The address of Samson Bélair/Deloitte & Touche s.e.n.c.r.l. is 1, Place Ville-Marie, Suite 3000, Montreal, Québec, H3B 4T9.

Shareholder Proposals

A shareholder intending to submit a proposal at an annual meeting of shareholders of the Corporation must comply with the applicable requirements of the OBCA. Any proposal to be considered at the 2013 annual general meeting of the Corporation must be received by the Corporate Secretary at Fiera Sceptre Inc., 1501 McGill College Avenue, Suite 800, Montreal, Québec, H3A 3M8 by no later than January 28, 2013 (60 days before the anniversary date of the Meeting).

ADDITIONAL INFORMATION

Additional information relating to Fiera Sceptre is available on SEDAR at www.sedar.com. Shareholders may obtain without charge additional copies of Fiera Sceptre's financial statements and management's discussion and analysis and all documents incorporated by reference into this Circular by written request addressed to: Corporate Secretary, Fiera Sceptre Inc., 1501 McGill College Avenue, Suite 800, Montreal, Québec, H3A 3M8, facsimile (514) 954-0602. Financial information regarding Fiera Sceptre is provided in its financial statements and management's discussion and analysis for the financial year ended September 30, 2011.

APPROVAL BY THE BOARD OF DIRECTORS

The Board of Directors has approved the contents and the sending of this Circular to the Shareholders.

Dated: March 1, 2012

BY ORDER OF THE BOARD

(Signed) Violaine Des Roches

VIOLAINE DES ROCHES
SENIOR VICE PRESIDENT, LEGAL AFFAIRS AND
COMPLIANCE AND CORPORATE SECRETARY
FIERA SCEPTRE INC.

INDEPENDENT AUDITOR'S CONSENT

We have read the Notice of Annual General and Special Meeting of shareholders and Management Information Circular (the “**Circular**”) of Fiera Sceptre Inc. (the “**Corporation**”) dated March 1, 2012 with respect to the issuance of class A subordinate voting shares of the Corporation to Natcan Investment Management Inc. (“**Natcan**”) as partial consideration for the acquisition of substantially all of the business assets of Natcan. We have complied with Canadian generally accepted standards for an auditor’s involvement with offering documents.

We consent to the use in the above-mentioned Circular of our report to the shareholders of Fiera Sceptre Inc. on the consolidated balances sheet of Fiera Sceptre Inc. as at September 30, 2011 and 2010, and the consolidated statements of earnings, comprehensive income, changes in shareholders’ equity and cash flows for the years then ended. Our report is dated December 14, 2011.

(Signed) Samson Bélair/Deloitte & Touche s.e.n.c.r.l.⁽¹⁾

Montreal, Québec
March 1, 2012

⁽¹⁾ Chartered accountant auditor permit No. 8130

INDEPENDENT AUDITOR'S CONSENT

We have read the Notice of Annual General and Special Meeting of shareholders and Management Information Circular (the “**Circular**”) of Fiera Sceptre Inc. (the “**Corporation**”) dated March 1, 2012 with respect to the issuance of class A subordinate voting shares of the Corporation to the Natcan Investment Management Inc. (“**Natcan**”) as partial consideration for the acquisition of substantially all of the business assets of Natcan. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned Circular of our report to the shareholders of Natcan on the balance sheet of Natcan as at October 31, 2011, and the statements of earnings and comprehensive income, retained earnings and change in accumulated other comprehensive loss and cash flows for the year then ended. Our report is dated December 13, 2011.

(Signed) Samson Bélair/Deloitte & Touche s.e.n.c.r.l.⁽¹⁾

Montreal, Québec
March 1, 2012

⁽¹⁾ Chartered accountant auditor permit No. 8845

CONSENT OF GMP SECURITIES L.P.

To: The Board of Directors of Fiera Sceptre Inc. (“Fiera Sceptre”)

We hereby consent to the references in the Notice of Annual General and Special Meeting and Management Information Circular (the “**Circular**”) of Fiera Sceptre dated March 1, 2012 to our opinion dated February 24, 2012, and to the inclusion therein of the text of our opinion attached as Appendix “E” to the Circular. In providing our consent, we do not permit any person other than the Special Committee, Board of Directors (as each such term is defined in the Circular) and Fiera Sceptre to rely upon our opinion.

Yours very truly,

(Signed)

GMP Securities L.P.

Montreal, Québec

March 1, 2012

APPENDIX “A”

GLOSSARY OF TERMS

The following glossary of terms used in this Circular, excluding the Appendices and the letter to Shareholders, is provided for ease of reference. Unless otherwise defined or the context otherwise requires, capitalized terms used in this Circular will have the following meanings. Words importing the singular number only include the plural and vice versa and words importing any gender include all genders.

“**2007 Stock Option Plan**” means the stock option plan of Fiera Sceptre dated May 7, 2007, as amended.

“**2011 AIF**” has the meaning set out in “*Caution Regarding Forward-Looking Statements*”.

“**Acquisition**” means the Corporation’s proposed acquisition of substantially all of the business assets of Natcan Investment Management Inc.

“**Acquisition Agreement**” means the asset purchase agreement made as of February 24, 2012 between Fiera Sceptre, Natcan and National Bank, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“**Acquisition Proposal**” means (i) any proposal or offer (whether binding or not) made by any Person with respect to the acquisition, directly or indirectly, of (A) assets, securities or ownership interests of or in Fiera Sceptre representing 20% or more of the consolidated assets of Fiera Sceptre taken as a whole, in a single transaction or a series of transactions, or (B) equity interests representing a 20% or greater economic interest in Fiera Sceptre in a single transaction or a series of transactions, in any such case pursuant to a merger, amalgamation, tender offer, share exchange, business combination, liquidation, dissolution, recapitalization, take-over or non-exempt issuer bid, redemption of Shares, extraordinary distribution, sale, lease, exchange transfer, purchase or issuance as consideration or similar transaction or series of transactions involving Fiera Sceptre, (ii) any other transaction, the consummation of which could reasonably be expected to impede, interfere with, prevent or materially delay the transactions contemplated by the Acquisition Agreement or which could reasonably be expected to materially reduce the benefits to Natcan or National Bank under the Acquisition Agreement, or (iii) any public announcement of an intention to do any of the foregoing from any Person, other than the transactions contemplated hereunder involving Natcan and National Bank.

“**Additional NBC Shares**” has the meaning set out in “*Business of the Meeting – Approval of the Share Issuance Resolution*”.

“**AMF**” means the Autorité des marchés financiers du Québec.

“**Anti-Dilution Rights**” has meaning set out in “*The Acquisition – Material Contracts Related to the Acquisition – Investor Rights Agreement*”.

“**Annual Payment**” has the meaning set out in “*The Acquisition – Acquisition Agreement – Purchase Price*”.

“**Arrangement**” means the arrangement approved on August 27, 2010 by the Ontario Superior Court of Justice pursuant to Section 182 of the OBCA involving Sceptre and Fiera Capital, pursuant to which their businesses were combined.

“**Articles**” means the articles of incorporation of Fiera Sceptre, as amended.

“**Arvestia**” means Arvestia Inc., a corporation governed by the laws of Canada.

“**AUA**” means assets under administration.

“**AUM**” means assets under management.

“AUM Agreement” has the meaning set out in *“The Acquisition – Material Contracts Related to the Acquisition – AUM Agreement”*.

“AUM Ratio” has the meaning set out in *“The Acquisition – Material Contracts Related to the Acquisition – AUM Agreement”*.

“Bank AUM” has the meaning set out in *“The Acquisition – Material Contracts Related to the Acquisition – AUM Agreement”*.

“Board Expansion Resolution” means a special resolution of the Shareholders to amend the Corporation’s Articles to increase the maximum number of directors from nine to 12, which resolution is in the form attached as Appendix “C” to this Circular.

“Board of Directors” or the **“Board”** means the board of directors of Fiera Sceptre.

“Business” means the businesses carried on currently and prior to the date of the Acquisition Agreement by Natcan consisting of the business of providing Investment Management Services with respect to securities, derivatives and commodity futures to an institutional clientele.

“Cash Consideration” has the meaning set out in *“The Acquisition – Acquisition Agreement – Purchase Price”*.

“Circular” means this management information circular of Fiera Sceptre, including the notice of annual general and special meeting and all appendices and documents incorporated by reference in this Circular.

“Class A Director” has the meaning set out in *“Business of the Meeting – Election of Directors”*.

“Class A Subordinate Voting Shares” means the Class A subordinate voting shares of Fiera Sceptre.

“Class B Director” has the meaning set out in *“Business of the Meeting – Election of Directors”*.

“Class B Special Voting Shares” means the class B special voting shares of Fiera Sceptre.

“Class B Termination Date” has the meaning set out in *“Voting Information and General Proxy Matter — Voting Securities and Principal Holders of Voting Securities”*.

“Closing” has the meaning set out in *“Business of the Meeting – Approval of the Share Issuance Resolution”*.

“Closing Date” means the date which is on or prior to April 30, 2012, subject to variation in accordance with the terms of the Acquisition Agreement.

“Closing Time” means 8:00 a.m. (Montreal, Quebec time), on the Closing Date or such other time on such date as the Parties may agree in writing as the time at which the Closing shall take place.

“Coattail Agreement” has the meaning set out in *“Voting Information and General Proxy Matter — Voting Securities and Principal Holders of Voting Securities”*.

“Consideration Shares” means 19,711,569 Class A Subordinate Voting Shares, provided that the number of Consideration Shares shall be subject to adjustment for: (i) the exercise of options by option holders to purchase Class A Subordinate Voting Shares, in accordance with the terms of the Corporation’s 2007 Stock Option Plan; and (ii) any consolidations or splits of the Class A Subordinate Voting Shares prior to Closing Time, such that upon the occurrence of any such event after February 24, 2012 the aggregate number of Class A Subordinate Voting Shares to be received by Natcan under the Acquisition Agreement shall equal the number of securities of the Corporation that it would have been entitled to receive as if it had owned the number of Class A Subordinate Voting Shares prior to each such event.

“**Corporation**” means Fiera Sceptre Inc., a corporation governed by the laws of the Province of Ontario.

“**Credit Facility**” has the meaning set out in “*The Acquisition – Background to the Acquisition*”.

“**Desjardins**” means Fédération des caisses Desjardins du Québec, a financial services cooperative governed by the laws of the Province of Québec.

“**DJM**” means DJM Capital Inc., a corporation governed by the laws of Canada.

“**DSF**” means Desjardins Société financière inc., a corporation governed by the laws of the Province of Québec.

“**DSF 115% Exception**” has the meaning set out in “*The Acquisition — Material Contracts Related to the Acquisition — Principal Investors Agreement and Voting Arrangements/Put Option Agreements*”.

“**DSF Option**” has the meaning set out in “*The Acquisition — Material Contracts Related to the Acquisition — Principal Investors Agreement and Voting Arrangements/Put Option Agreements*”.

“**DSU Plan**” means deferred share unit plan of Fiera Sceptre approved on May 7, 2007.

“**DSUs**” means deferred share units of Fiera Sceptre granted under the DSU Plan.

“**EBITDA**” means earnings before interest, taxes, depreciation, and amortization.

“**Employee Share Purchase Plan**” has the meaning set out in “*Statement of Executive Compensation — Compensation Discussion and Analysis — Employee Share Purchase Plan*”.

“**Event**” has the meaning set out in “*The Acquisition — Acquisition Agreement — Conditions Precedent in Favour of Fiera Sceptre*”.

“**Extraordinary Business**” has meaning set out in “*The Acquisition – Material Contracts Related to the Acquisition – Principal Investors Agreement and Voting Arrangements/Put Option Agreements*”.

“**Fiera Capital**” means Fiera Capital Inc., a corporation governed by the laws of Canada.

“**Fiera LP**” means Fiera Capital L.P., a limited partnership formed under and governed by the LP Agreement.

“**Fiera Option**” has the meaning set out in “*Statement of Executive Compensation — Compensation Discussion and Analysis — Stock Option Plan*”.

“**Fiera Sceptre**” means Fiera Sceptre Inc., a corporation governed by the laws of the Province of Ontario.

“**Fiera Shareholders Agreement**” means the agreement dated September 1, 2010, between, *inter alia*, Arvestia and DSF (or any other subsidiary corporation or other entity that is wholly-owned, directly or indirectly, by Fédération des caisses Desjardins du Québec) which deals with, *inter alia*, the direct or indirect interests of such parties in Fiera Capital or Fiera LP, as such agreement may be amended, supplemented, replaced, restated, or otherwise modified from time to time.

“**First Option**” has meaning set out in “*The Acquisition – Material Contracts Related to the Acquisition – Investor Rights Agreement*”.

“**First Year**” has the meaning set out in “*The Acquisition – Acquisition Agreement – Purchase Price*”.

“**First Year Payment Shares**” has the meaning set out in “*The Acquisition – Acquisition Agreement – Purchase Price*”.

“Force the Vote Notice” has the meaning set out in *“The Acquisition – Acquisition Agreement – Matching Rights and Force the Vote”*.

“FSFI” means Fiera Sceptre Funds Inc.

“Funds” means the Fiera Sceptre Mutual Funds, the Fiera Sceptre Private Mutual Funds, and the Pooled Funds.

“Fund Shareholders’ Meeting” has the meaning set out in *“The Acquisition – Acquisition Agreement – Interim Period Covenants of Natcan”*.

“GMP” means GMP Securities L.P.

“GMP Fairness Opinion” means the opinion of GMP delivered to the Special Committee and to the Board of Directors in writing to the effect that, as of February 24, 2012 and based upon and subject to the analyses, assumptions, qualifications and limitations discussed therein, the Acquisition is fair, from a financial point of view, to Shareholders, a written copy of which is attached to this Circular as Appendix “E”.

“HR Committee” has the meaning set out in *“Statement of Executive Compensation — Compensation Discussion and Analysis”*.

“Incumbent Board” has the meaning set out in *“Business of the Meeting — Election of Directors.”*

“Independent Class A Shareholders” has the meaning set out in *“Business of the Meeting – Approval of the Share Issuance Resolution”*.

“Intermediary” means an intermediary with which a Non-Registered Shareholder may deal, including banks, trust companies, securities dealers or brokers and trustees or administrators of self-directed trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans (collectively, as defined in the Tax Act) and similar plans, and their nominees.

“Internal Reorganization” means any dissolution, amalgamation, share exchange, rollover, reorganization or other similar transaction that does not result in a change in persons who ultimately, directly or indirectly, own and control the Class B Special Voting Shares.

“Investment Management Services” means any service that involves (i) the portfolio management or fund management of an investment account or investment fund (or portions thereof or a group of investment accounts or investment funds), including acting as a “dealer” or “investment fund manager” within the meaning of the *Securities Act* (Québec) or other applicable Canadian Securities Legislation, (ii) the giving of advice with respect to the investment and/or reinvestment of assets of an investment account or investment funds (or any group of investment accounts or investment funds), and (iii) otherwise acting as an “adviser” within the meaning of the *Securities Act* (Québec) or other applicable Canadian securities legislation including ancillary advisory services and without limitation producing the CIA method accounting discount rate curve.

“IROC Affiliates” has the meaning set out in *“The Acquisition – Material Contracts Related to the Acquisition – AUM Agreement”*.

“JGD Put Right” has the meaning set out in *“The Acquisition — Material Contracts Related to the Acquisition — Principal Investors Agreement and Voting Arrangements/Put Option Agreements”*.

“LP Agreement” means that certain limited partnership agreement regarding Fiera LP dated as of September 1, 2010, as supplemented, amended and restated from time to time.

“Managed Accounts” has the meaning set out in *“Information Concerning Fiera Sceptre — Overview”*.

“**Manager**” has the meaning set out in “*Voting Information and General Proxy Matters — Voting Securities and Principal Holders of Voting Securities*”.

“**Market Price**” has the meaning set out in “*The Acquisition — Material Contracts Related to the Acquisition — Principal Investors Agreement and Voting Arrangements/Put Option Agreements*”.

“**Matching Period**” means a period of five Business Days from the date that is the later of (A) the date Natcan received written notice of the Corporation’s proposed determination to accept, approve or recommend or enter into any agreement in respect of an Acquisition Proposal on the basis that it constitutes a Superior Proposal; and (B) the date Natcan received a copy of the Acquisition Proposal.

“**Material Adverse Change**” means any change, effect or circumstance that, when considered either individually or in the aggregate together with all other adverse changes, effects or circumstances with respect to which such phrase is used in the Acquisition Agreement, is materially adverse to, or could reasonably be expected to have a material adverse effect on, the financial condition or results of operations of the Business or of Fiera Sceptre, as applicable, other than those resulting from industry-wide conditions or general economic conditions affecting the industry in which the Business, or the Fiera Sceptre’s business, as applicable, is carried on; provided in the case of the exception described above, that such change, effect or circumstance does not affect the Business, or Fiera Sceptre’s business, as applicable in a disproportionate manner relating to the other participants in the applicable industry.

“**MDLTIP**” means the Managing Director Long Term Incentive Plan of Sceptre.

“**Meeting**” means the annual general and special meeting of the Shareholders, including any adjournment or postponement thereof, to be held at the Centre Mont-Royal, 2200 Mansfield Street, Montreal, Québec, on Thursday, March 29, 2012, at 9:00 a.m. (Montreal time).

“**Meeting Materials**” means this Circular, the Notice of Meeting, and the form of proxy.

“**Mercer**” means Mercer (Canada) Ltd.

“**Mutual Funds**” means the Fiera Sceptre Mutual Funds and the Fiera Sceptre Private Mutual Funds.

“**Name Change Resolution**” means the special resolution of Shareholders to authorize an amendment to the Corporation’s Articles to change the name of the Corporation to “Fiera Capital Ltd./Fiera Capital Ltée”, or such other name as the Board of Directors in its discretion may resolve and as acceptable to the TSX, if required, which resolution is in the form attached as Appendix “D” to this Circular.

“**Natcan**” means Natcan Investment Management Inc.

“**National Bank**” means the National Bank of Canada, a Canadian chartered bank governed by the laws of Canada.

“**NBC Options**” means, collectively, the First Option and Second Option.

“**NEO**” means named executive officer.

“**Non-Competition Agreement**” has the meaning set out in “*The Acquisition – Material Contracts Related to the Acquisition – Non-Competition Agreement*”.

“**Non-Registered Shareholders**” means non-registered owners of the Shares.

“**Notice Date**” means the date that is the later of (A) the date Natcan received written notice of the Corporation’s proposed determination to take such action and (B) the date Natcan received a copy of the Acquisition Proposal.

“**Notice of Meeting**” means the notice of annual general and special meeting accompanying the Circular, dated March 1, 2012.

“Notice of Sale” has the meaning set out in *“The Acquisition – Material Contracts Related to the Acquisition – Principal Investors Agreement and Voting Arrangements/Put Option Agreements”*.

“OBCA” means the *Business Corporations Act* (Ontario) and the regulations made thereunder, as now in effect and as may be promulgated or amended from time to time.

“Offered Class A Subordinate Voting Shares” has the meaning set out in *“The Acquisition — Material Contracts Related to the Acquisition — Principal Investors Agreement and Voting Arrangements/Put Option Agreements”*.

“Option” means a stock option issued under the 2007 Stock Option Plan.

“Outside Date” means August 31, 2012, or such later date as may be agreed to in writing by Natcan and Fiera Sceptre.

“Parties” means collectively, Natcan, Fiera Sceptre and National Bank, and **“Party”** means any one of them.

“Permitted Transferee” has the meaning set out in *“Voting Information and General Proxy Matters — Voting Securities and Principal Holders of Voting Securities”*.

“Pooled Funds” has the meaning set out in *“Information Concerning Fiera Sceptre — Overview”*.

“Post-Acquisition Board” has the meaning set out in *“Business of the Meeting — Election of Directors”*.

“Price Per Share” has the meaning set out in *“The Acquisition – Acquisition Agreement – Purchase Price”*.

“Principal Investors Agreement” has the meaning set out in *“The Acquisition — Material Contracts Related to the Acquisition — Principal Investors Agreement and Voting Arrangements/Put Option Agreements”*.

“Proposed Transaction” means any proposed sale or conveyance of all or substantial all of the property and assets of Fiera Sceptre or any proposed merger, consolidation, amalgamation or offer to acquire all of the outstanding Shares.

“Purchase Price” has the meaning set out in *“The Acquisition – Acquisition Agreement – Purchase Price”*.

“Purchased Assets” has the meaning set out in *“The Acquisition – Acquisition Agreement – Purchase Price”*.

“QSSP II Fund” means the Natcan QSSP II Investment Fund Inc., a mutual fund corporation incorporated under the *Canada Business Corporations Act*.

“Registered Shareholders” means a registered holder of Shares as recorded in the Shareholders’ register maintained by the Transfer Agent.

“Replacement Option” has the meaning set out in *“Statement of Executive Compensation — Compensation Discussion and Analysis — Stock Option Plan”*.

“Replacement Option Exchange Ratio” has the meaning set out in *“Statement of Executive Compensation — Compensation Discussion and Analysis — Stock Option Plan”*.

“Replacement Option Exercise Price” has the meaning set out in *“Statement of Executive Compensation — Compensation Discussion and Analysis — Stock Option Plan”*.

“Registration Rights Agreement” has the meaning set out in *“The Acquisition — Material Contracts Related to the Acquisition — Registration Rights Agreement”*.

“Sceptre” means Sceptre Investment Counsel Limited.

“**Sceptre Option**” has the meaning set out in “*Statement of Executive Compensation — Compensation Discussion and Analysis — Stock Option Plan*”.

“**Second Option**” has meaning set out in “*The Acquisition – Material Contracts Related to the Acquisition – Investor Rights Agreement*”.

“**Second Year**” has the meaning set out in “*The Acquisition – Acquisition Agreement – Purchase Price*”.

“**Second Year Payment Shares**” has the meaning set out in “*The Acquisition – Acquisition Agreement – Purchase Price*”.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**Seventh Year Payment**” has the meaning set out in “*The Acquisition – Acquisition Agreement – Purchase Price*”.

“**Share Issuance Resolution**” has the meaning set out in “*Business of the Meeting – Approval of the Share Issuance Resolution*”, which resolution is in the form attached as Appendix “B” to this Circular.

“**Shares**” means the Class A Subordinate Voting Shares and the Class B Special Voting Shares.

“**Shareholders**” means the holders of Shares.

“**Sold Shares**” has the meaning set out in “*The Acquisition — Material Contracts Related to the Acquisition — Principal Investors Agreement and Voting Arrangements/Put Option Agreements*”.

“**Special Committee**” means the special committee of independent directors of the Board that was formed for purposes of evaluating the Acquisition and providing a recommendation thereon to the Board.

“**STIP**” means the short term incentive plan of Fiera Sceptre.

“**Superior Proposal**” means any unsolicited *bona fide* written Acquisition Proposal made by a third party, which did not result from a violation of the Acquisition Agreement, that the Board of Directors determines in good faith after consultation with its financial advisor and with outside counsel: (a) is reasonably likely to be completed without undue delay having regard to financial, legal, regulatory or other matters; (b) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available to the satisfaction of the Board of Directors, acting in good faith; (c) that is not subject to a due diligence condition; and (d) if consummated in accordance with its terms, will result in a transaction more favourable to Shareholders from a financial point of view (taking into account all terms and conditions including financing terms, any termination fee payable under the Acquisition Agreement and any conditions to the consummation thereof) than the transactions contemplated by the Acquisition Agreement or any amendment to the Acquisition Agreement proposed by Fiera Sceptre pursuant to Natcan’s right to match under the Acquisition Agreement, provided however, that for purposes of this definition the references in subparagraph (i)(A) of the definition of Acquisition Proposal to “20%” shall be deemed to be references to “more than 66 2/3%”, and the references in subparagraph (i)(B) of the definition of Acquisition Proposal to “20%” shall be deemed to be references to “more than 66 2/3%” of each class.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time.

“**Transaction Shares**” has the meaning set out in “*Business of the Meeting – Approval of the Share Issuance Resolution*”.

“**Transfer Agent**” means Computershare Investor Services Inc.

“**TSR**” means total shareholder return.

“**TSX**” means the Toronto Stock Exchange.

“**Voting Support Agreement**” means the voting support agreement entered into on February 24, 2012 between Jean-Guy Desjardins, Fiera LP, Natcan and National Bank, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“**Voting Arrangements Agreement**” has the meaning set out in “*The Acquisition — Material Contracts Related to the Acquisition — Principal Investors Agreement and Voting Arrangements/Put Option Agreements*”.

“**VWAP**” means volume-weighted average trading price.

“**Year**” means each twelve month period commencing on July 1 in one calendar year and ending on June 30 in the following calendar year, with the first Year commencing on July 1, 2012 and the last Year ending on June 30, 2019.

APPENDIX "B"

SHARE ISSUANCE RESOLUTION

RESOLVED as an Ordinary Resolution that:

1. The issuance of the Consideration Shares to Natcan Investment Management Inc. ("**Natcan**") in partial satisfaction of the portion of the purchase price of the acquisition of substantially all of the business assets of Natcan (the "**Acquisition**") due on closing of the Acquisition, as more fully described in the management information circular (the "**Circular**") of Fiera Sceptre Inc. ("**Fiera Sceptre**" or the "**Corporation**") dated March 1, 2012, is hereby approved and authorized. For purposes hereof, "Consideration Shares" means 19,711,569 class A subordinate voting shares of the Corporation (the "**Class A Subordinate Voting Shares**"), provided that the number of Consideration Shares shall be subject to adjustment for: (i) the exercise of options by option holders to purchase Class A Subordinate Voting Shares, in accordance with the terms of the Corporation's 2007 stock option plan; and (ii) any consolidations or splits of the Class A Subordinate Voting Shares prior to the closing time of the Acquisition, such that upon the occurrence of any such event after February 24, 2012 the aggregate number of Class A Subordinate Voting Shares to be received by Natcan under the asset purchase agreement governing the Acquisition (the "**Acquisition Agreement**") shall equal the number of securities of the Corporation that it would have been entitled to receive as if it had owned the number of Class A Subordinate Voting Shares prior to each such event.
2. The issuance to:
 - (a) Natcan of the First Year Payment Shares (as defined in, and subject to the terms and conditions of, the Acquisition Agreement) and the Second Year Payment Shares (as defined in, and subject to the terms and conditions of, the Acquisition Agreement); and
 - (b) National Bank of Canada ("**National Bank**") or an affiliate of National Bank of that number of Class A Subordinate Voting Shares which is issuable upon an exercise by National Bank of the First Option and/or the Second Option (in each case, as defined in, and subject to the terms and conditions of, the investor rights agreement to be entered in by the Corporation and National Bank conditional upon closing of the Acquisition),in each case as more fully described in the Circular, is hereby approved and authorized.
3. Any director or officer of Fiera Sceptre be and is hereby authorized and directed to execute or cause to be executed, whether under the corporate seal of Fiera Sceptre or otherwise, and to deliver or cause to be delivered, all such documents, certificates, agreements or instruments and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or the doing of any such act or thing.
4. The board of directors of Fiera Sceptre be and is hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto.

APPENDIX “C”

BOARD EXPANSION RESOLUTION

RESOLVED as a Special Resolution that:

1. The board of directors of Fiera Sceptre Inc. (“**Fiera Sceptre**” or the “**Corporation**”) is hereby authorized to file articles of amendment pursuant to section 168 of the *Business Corporations Act* (Ontario) to increase the size of the board of directors from nine to 12 persons with effect (i) contemporaneously with the closing of Fiera Sceptre’s acquisition of substantially all of the business assets of Natcan Investment Management Inc.; and (ii) immediately prior to the election of the slate of 12 nominee directors of the Corporation becoming effective, as more fully described in the management information circular (the “**Circular**”) of Fiera Sceptre dated March 1, 2012, and until changed in a manner permitted by the *Business Corporations Act* (Ontario).
2. Any director or officer of Fiera Sceptre be and is hereby authorized and directed to execute or cause to be executed, whether under the corporate seal of Fiera Sceptre or otherwise, and to deliver or cause to be delivered, articles of amendment and all such other documents, agreements or instruments and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or the doing of any such act or thing.
3. The board of directors of Fiera Sceptre be and is hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto.

APPENDIX “D”

NAME CHANGE RESOLUTION

RESOLVED as a Special Resolution that:

1. The board of directors of Fiera Sceptre Inc. (“**Fiera Sceptre**” or the “**Corporation**”) is hereby authorized to file articles of amendment pursuant to section 168(1)(a) of the *Business Corporations Act* (Ontario) to change the name of the Corporation from “Fiera Sceptre Inc.” to “Fiera Capital Ltd./Fiera Capital Ltée”, or such other name that the board of directors deems appropriate and as may be approved by the regulatory authorities (including the Toronto Stock Exchange), if the board of directors considers it to be in the best interests of Fiera Sceptre to implement such a name change.
2. Any director or officer of Fiera Sceptre be and is hereby authorized and directed to execute or cause to be executed, whether under the corporate seal of Fiera Sceptre or otherwise, and to deliver or cause to be delivered, articles of amendment and all such other documents, agreements or instruments and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or the doing of any such act or thing.
3. The board of directors of Fiera Sceptre be and is hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto.

APPENDIX “E”

GMP FAIRNESS OPINION



GMP Securities L.P.
1250 Rene -Levesque Blvd West, Suite 1500
Montreal, Quebec H3B 4W8
Tel: (514) 288-7774 Fax: (514) 288-7838

www.gmpsecurities.com

February 24, 2012

The Special Committee of the Board of Directors
Fiera Sceptre Inc.
1501 McGill College Avenue, Suite 800
Montreal, Quebec H3A 3M8

and

The Board of Directors
Fiera Sceptre Inc.
1501 McGill College Avenue, Suite 800
Montreal, Quebec H3A 3M8

To the Special Committee of the Board of Directors and to Board of Directors:

GMP Securities L.P. (“**GMP Securities**”, “**us**”, “**our**” or “**we**”) understands that Fiera Sceptre Inc. (“**Fiera**”) is considering entering into certain transactions with the National Bank of Canada (“**National Bank**”) and Natcan Investment Management Inc. (“**Natcan**”) (the “**Proposed Transaction**”), whereby, among other things: (i) Fiera would acquire substantially all of the assets, property and undertaking of the business of Natcan, pursuant to the terms of an asset purchase agreement (the “**Asset Purchase Agreement**”), and (ii) National Bank would enter into an assets under management agreement (the “**AUM Agreement**”) with Fiera regarding certain client referral services to be provided by National Bank to Fiera. Under the terms of the Agreement, to acquire the Natcan business, Fiera will pay \$309.5 million subject to reduction in certain circumstances, including \$235.0 million at the closing of the transaction, and an amount of \$74.5 million to be paid over time, unless certain minimum assets under management thresholds with Fiera are not met by the Bank and its affiliates. At closing of the transaction, Fiera will issue approximately 19.71 million newly issued Class A subordinate voting shares (“**Class A Shares**”) of Fiera, with the balance to be paid in cash. In connection with the Proposed Transaction, Fiera, certain entities related to Fiera, National Bank and Natcan would enter into several ancillary agreements dealing with investor rights, registration rights, voting rights and non-compete covenants (collectively, the “**Ancillary Agreements**”). The above description is summary in nature, the specific terms and conditions of the Proposed Transaction would be more fully described in the notice of special meeting and management information circular (together, the “**Management Information Circular**”), to be mailed to the holders of Class A Shares and Class B special voting shares of Fiera (“**Class B Shares**” and, together with Class A Shares, “**Shares**” and, the holders of Shares, collectively, the “**Shareholders**”) in connection with the Proposed Transaction.

The special committee (the “**Special Committee**”) of the board of directors (the “**Board**”) of Fiera has retained GMP Securities to provide advice and assistance to it in, among other things, evaluating the Proposed Transaction, including the preparation of and delivery to the Special Committee of GMP Securities’ opinion (the “**Fairness Opinion**”) as to the fairness, from a financial point of view, of the Proposed Transaction, to the Shareholders. GMP Securities has not prepared a “formal valuation” (within the meaning of Multilateral Instrument 61-101—*Protection of Minority Security Holders in Special Transactions*) of Natcan, nor of any of Natcan’s securities or assets and the Fairness Opinion should not be construed as such.

Engagements

Fiera initially contacted GMP Securities regarding a potential advisory assignment in February 2011 and GMP Securities was formally engaged by Fiera through an agreement between Fiera and GMP Securities dated as of February 21, 2011 (the “**Engagement Agreement**”). The Engagement Agreement provides the terms upon which GMP Securities has agreed to act as Fiera’s financial advisor in connection with the Proposed Transaction. Furthermore, on January 12, 2012, the Special Committee engaged GMP Securities to provide the Fairness Opinion. The terms of the Engagement Agreement provide that GMP Securities is to be paid a fee in an amount customarily paid to major investment banking firms for similar services in similar circumstances. For the delivery of a Fairness Opinion, GMP Securities is to be paid a separate fee that is not conditional on the Proposed Transaction or any other event. In addition, GMP Securities is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by Fiera in certain circumstances. GMP Securities has not been engaged to prepare, and has not prepared, a valuation or appraisal of Fiera or Natcan, or any of their respective assets, securities or liabilities (whether on a standalone basis or as a combined entity), and the Fairness Opinion should not be construed as such. Furthermore, the Fairness Opinion is not, and should not be construed as, advice as to the price at which the Class A Shares of Fiera (before or after the announcement of the Proposed Transaction) may trade at any future date. GMP Securities was similarly not engaged to review any legal, tax or accounting aspects of the Proposed Transaction.

GMP Securities hereby consents to the inclusion of the Fairness Opinion in its entirety and a summary thereof in the Management Information Circular which we understand is expected to be mailed to the Shareholders and to the filing thereof with the securities regulatory authorities in each province of Canada, or any other regulatory body in Canada, as necessary.

Relationship with Interested Parties

Neither GMP Securities, nor any of its affiliates, is an insider, associate or affiliate (as such terms are defined under applicable securities legislation) of Fiera, National Bank, Natcan or any of their respective associates or affiliates (collectively, the “**Interested Parties**”). GMP Securities has, from time to time, acted as an advisor, financial or otherwise, to Fiera, and certain of Fiera’s associates or affiliates in connection with other transactions.

GMP Securities acts as a trader and investment dealer, both as principal and agent, in all major Canadian financial markets and, accordingly, GMP Securities and its clients may have, or may in the future have, long or short positions in securities of Fiera or any of its associates or affiliates and GMP Securities may have executed or may in the future execute transactions on behalf of the Interested Parties or on behalf of other clients for which it receives compensation. As an investment dealer, GMP Securities conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to Fiera, National Bank.

Credentials of GMP Securities

GMP Securities is a wholly-owned subsidiary of GMP Capital Inc. which is a publicly traded corporation listed on the Toronto Stock Exchange. GMP Securities has offices in Toronto, Calgary, Montreal, London (UK), and Perth and Sydney in Australia. GMP Securities is one of the largest independent Canadian investment banking firms involved in corporate finance, mergers & acquisitions, equity sales and trading and investment research. As part of its investment banking activities, GMP Securities is regularly engaged in the evaluation of securities in connection with mergers & acquisitions, public offerings and private placements of listed and unlisted securities, and regularly engages in market making, underwriting and secondary trading of securities in connection with a variety of transactions. GMP Securities is not in the business of providing auditing services and is not controlled by or affiliated with any commercial banks, financial institutions or industrial groups in Canada.

This Fairness Opinion represents the opinion of GMP Securities and the form and content hereof have been approved by its internal review committee, whose members are comprised of senior professionals of GMP Securities and are collectively experienced in mergers & acquisitions and valuation matters.

Scope of Review

GMP Securities has acted as financial advisor to the Special Committee, the Board, and Fiera in respect of the Proposed Transaction and certain related matters. In this context, and for the purpose of preparing the Fairness Opinion, we have analyzed financial, operational and other information relating to Fiera and Natcan, including information derived from meetings and discussions with the management of Fiera and of Natcan. Except as expressly described herein, GMP Securities has not conducted any independent investigations to verify the accuracy and completeness thereof.

In connection with this Fairness Opinion, we have reviewed, considered and relied upon or carried out, among other things, the following:

1. a draft dated February 24, 2012 of the Asset Purchase Agreement among Natcan, Fiera and National Bank;
2. a draft dated February 24, 2012 of the AUM Agreement between National Bank and Fiera;
3. a draft dated February 24, 2012 of the agreement regarding Ancillary Agreements among Natcan, Fiera and National Bank;
4. a draft dated February 24, 2012 of Natcan's disclosure letter;
5. a draft dated February 24, 2012 of Fiera's disclosure letter;
6. a draft dated December 21, 2011 of the registration rights agreement among Fiera, Natcan and National Bank;
7. a draft dated February 15, 2012 of the voting arrangements / put option agreement between Jean-Guy Desjardins and National Bank;
8. a draft dated February 24, 2012 of the investor rights agreement between National Bank and Fiera;
9. a draft dated February 15, 2012 of the non-competition agreement among Natcan, Fiera and National Bank;
10. a draft dated February 14, 2012 of the support and voting agreement among Natcan, National Bank, Fiera Capital L.P. and Jean-Guy Desjardins;
11. a draft dated February 23, 2012 of the support and voting agreement among Natcan, National Bank and Goodman & Company, Investment Counsel Ltd.;
12. a draft dated February 23, 2012 of the support and voting agreement among Natcan, National Bank and CI Investments Inc.;
13. a draft dated February 24, 2012 of the support and voting agreement among Natcan, National Bank and CIBC Global Asset Management Inc.;
14. audited financial statements of Fiera, including the related notes and managements' discussion and analysis, for each of the three years ended September 30, 2009, 2010, and 2011;
15. the unaudited financial statements of Fiera, including the related notes and managements' discussion and analysis, for the three-month period ended December 31, 2011;
16. the management information circular of Fiera dated February 10, 2011;
17. the annual information forms of Fiera dated December 19, 2011, and December 23, 2010;
18. audited financial statements of Natcan, including the related notes, for each of the three years ended October 31, 2009, 2010, and 2011;
19. historical segmented income statements of Natcan by business unit for each of the three years ended October 31, 2009, 2010 and 2011;
20. unaudited projected financial statements of Natcan on a consolidated basis and segmented by business unit prepared by management of Natcan for the years ending October 30, 2012 through October 30, 2018;

21. discussions with senior management of Natcan regarding the past and current operations and financial condition and prospects of Natcan;
22. discussions with Fiera's legal counsel;
23. discussions with the Special Committee's legal counsel;
24. review of internal financial models, analyses, forecasts and projections prepared by the managements of Fiera and Natcan and their advisors relating to their respective businesses;
25. publicly available information with respect to other transactions of a comparable nature considered by us to be relevant;
26. publicly available information regarding investment managers in Canada and the United States;
27. publicly available information relating to the business, operations and financial condition of Natcan;
28. certain data room materials and information provided by Natcan to various interested parties performing their due diligence exercise;
29. representations contained in a certificate addressed to us, dated as of the date hereof, from senior officers of Fiera as to the completeness and accuracy of the information upon which the Fairness Opinion is based (the "**Certificate**"); and
30. such other corporate, industry and financial market information, investigations and analyses as GMP Securities considered necessary or appropriate in the circumstances.

In our assessment, we have looked at several methodologies, analyses and techniques and used a blended approach to determine our opinion on the Proposed Transaction. GMP Securities based the Fairness Opinion upon a number of quantitative and qualitative factors. In arriving at the Fairness Opinion, GMP Securities has attributed greater weight to certain analyses and factors that it deemed appropriate based on GMP Securities' experience in rendering such opinions.

GMP Securities has not, to the best of its knowledge, been denied access by Fiera to any information requested by GMP Securities. GMP Securities did not meet with the respective auditors of any of Fiera, National Bank or Natcan, and has assumed the accuracy and fair presentation of the audited comparative consolidated financial statements of Fiera, National Bank or Natcan and the reports of the auditors thereon.

Assumptions and Limitations

With the Special Committee's approval and as provided for in the Engagement Agreement, GMP Securities has relied upon the completeness, accuracy and fair presentation of all of the financial information, business plans, forecasts and other information, data, advice, opinions and representations obtained by it from public sources, senior management of Fiera, National Bank or Natcan, and their consultants and advisors (collectively, the "**Information**"). The Fairness Opinion is conditional upon the completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

We have also assumed that all of the representations and warranties contained in the Asset Purchase Agreement, AUM Agreement and Ancillary Agreements are correct as of the date hereof and that the Proposed Transaction will be completed substantially in accordance with its terms and all applicable laws.

Senior officers of Fiera represented to GMP Securities in the Certificate, among other things, that (i) the Information provided orally by, or in the presence of, an officer of Fiera or in writing by Fiera (including, in each case, its associates, affiliates, consultants, advisors and representatives) to GMP Securities for the purpose of preparing the Fairness Opinion was, at the date the Information was provided to GMP Securities, and is at the date hereof complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of Natcan, its subsidiaries or the Proposed Transaction and did not and does not omit to state a material fact in respect of Fiera, its subsidiaries or the Proposed Transaction necessary to make the Information or any statement contained therein not misleading in light of the circumstances under which the Information was

provided or any statement was made; (ii) with respect to financial forecasts, projections and budgets provided to GMP Securities, they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of management of Fiera or its associates and affiliates as to the matters covered thereby and such financial forecasts, projections and budgets reasonably represent the views of management; and that (iii) since the dates on which the Information was provided to GMP Securities, except as disclosed in writing to GMP Securities, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Natcan or any of its subsidiaries and no material change has occurred in the Information or any part thereof.

In preparing the Fairness Opinion, GMP Securities has made several assumptions, including (i) that all of the conditions required to consummate the Proposed Transaction will be met; (ii) that all consents, permissions, exemptions or orders of third parties and relevant authorities required to consummate the Proposed Transaction will be obtained, without adverse condition or qualification; (iii) that all draft documents referred to under the heading "Scope of Review" above are accurate versions, in all material respects, of the final form of such documents; and (iv) that the disclosure provided or incorporated by reference in the Management Information Circular with respect to Fiera, its subsidiaries and affiliates and the Proposed Transaction will be accurate in all material respects.

The Fairness Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of Natcan and its subsidiaries and affiliates and of Fiera, as they were reflected in the Information and as they have been represented to GMP Securities in discussions with management of Fiera, National Bank and Natcan. In its analyses and in preparing the Fairness Opinion, GMP Securities made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of GMP Securities or any party involved in the Offer.

The Fairness Opinion has been provided for the use of the Special Committee, the Board and Fiera and, other than as provided herein, may not be used by any other person or relied upon by any other person other than the Special Committee, the Board or Fiera, without the express prior written consent of GMP Securities. The Fairness Opinion is given as of the date hereof and GMP Securities disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to GMP Securities' attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, GMP Securities reserves the right to change, modify or withdraw the Fairness Opinion, provided that GMP Securities so advises the Special Committee, the Board and Fiera in advance in a timely manner and consults with the Special Committee, the Board and Fiera prior to taking such action.

GMP Securities believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Fairness Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Fairness Conclusion

Based upon our analysis and subject to all of the foregoing and such other matters as we have considered relevant, GMP Securities is of the opinion that, as of the date hereof, the Proposed Transaction is fair, from a financial point of view, to the Shareholders.

Yours very truly,

A handwritten signature in blue ink that reads "GMP Securities L.P." in a cursive, stylized font.

GMP SECURITIES L.P.

APPENDIX “F”

INFORMATION CONCERNING NATCAN INVESTMENT MANAGEMENT INC.

Capitalized terms used in this Appendix “F” but not otherwise defined herein shall have the meanings given to them in the Glossary of Terms set forth in Appendix “A” of this Circular to which this Appendix “F” is appended.

This Appendix “F” contains forward-looking information relating to, without limitation, Natcan’s expectations regarding its future growth, results of operations, performance and business prospects and opportunities. See “Cautionary Statement Regarding Forward-Looking Information”.

The information contained in this Appendix “F” has been provided by Natcan. Fiera Sceptre assumes no responsibility for the accuracy or completeness of such information, nor for any omission on the part of Natcan to disclose facts or events which may affect the accuracy of any such information.

All dollar amounts in this Appendix “F” are expressed in Canadian dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Appendix “F” contains “forward-looking statements”, which reflect the current expectations of Natcan’s management regarding Natcan’s future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as “may”, “would”, “could”, “will”, “anticipate”, “believe”, “plan”, “expect”, “intend”, “estimate”, “aim”, “endeavour” and similar expressions have been used to identify these forward-looking statements. These statements reflect Natcan’s current beliefs with respect to future events and are based on information currently available to Natcan. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause Natcan’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements including, without limitation, those listed in the “*Risk Factors*” section of this Circular. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this Appendix. These factors should be considered carefully and readers should not place undue reliance on these forward-looking statements. Financial statements contained in Annex F-1 to this Appendix “F” have been prepared in accordance with generally accepted accounting principles in Canada (“**GAAP**”) requiring estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the statements and the amount of revenue and expenses during the reporting periods. Actual results could differ materially from those estimates. See “*Risk Factors*” in the Circular. The preceding list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to Natcan, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Natcan does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf except as required by Law. Forward-looking information in this document is based on Natcan’s views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing the information in this Appendix “F”.

CORPORATE STRUCTURE

Name, address and incorporation

Natcan is a corporation formed in the nineties which is governed by the *Business Corporations Act* (Québec). Its head office is located at 1100 University Street, 4th Floor, Montréal, Québec, H3B 2G7.

Natcan is registered as a portfolio manager and an exempt market dealer in every province of Canada (other than Prince Edward Island) and in the Northwest Territories. Natcan is also registered as an investment fund manager in Québec. In addition, Natcan is registered as commodity trading manager pursuant to the *Commodity Futures Act* (Ontario) and as a derivatives portfolio manager pursuant to the *Derivatives Act* (Québec).

Intercorporate relationships

Natcan is a subsidiary of National Bank, which holds directly and indirectly through its subsidiary National Bank Securities Inc., the majority of the voting shares of Natcan.

National Bank, a chartered bank established in 1859, is incorporated under the *Bank Act* (Canada) and its common shares are listed on the Toronto Stock Exchange.

National Bank is an integrated group that provides financial services to individuals and corporations in Canada and elsewhere in the world. National Bank offers banking services, including corporate and investment banking and, through its subsidiaries, is involved in securities brokerage, insurance and wealth management, as well as mutual fund and retirement plan management. For more information on National Bank, refer to the Annual Information Form of National Bank dated December 7, 2011, available on SEDAR at www.sedar.com.

Natcan sponsors one mutual fund, namely Natcan QSSP II Investment Fund Inc. (the “**QSSP II Fund**”), the Class A shares of which are distributed in Québec by prospectus. Natcan also sponsors about 41 private mutual funds distributed under prospectus exemptions to manage specialized asset classes and to combine the assets of clients for investment efficiencies (the “**Natcan Pooled Funds**”). Natcan is the investment fund manager and portfolio manager of QSSP II Fund and the Natcan Pooled Funds. Natcan is also the portfolio manager of about 58 National Bank Securities Mutual Funds (“**NBSI Mutual Funds**”), a group of mutual funds distributed by prospectus in Canada of which Natcan’s affiliate, National Bank Securities Inc., is the investment fund manager. Natcan is also the portfolio manager of certain third-party mutual funds distributed by prospectus in Canada.

The QSSP II Fund, which is offered by prospectus only in Québec, offers its subscribers a tax deduction under the Québec stock savings plan II regime while also permitting subscribers to invest in a diverse and professionally managed portfolio of small and medium sized businesses. For more information on the QSSP II Fund, refer to the Preliminary Annual Information Form of QSSP II Fund dated December 20, 2011, available on SEDAR at www.sedar.com.

DESCRIPTION OF THE BUSINESS

Summary

Natcan provides investment management services primarily to institutional clients, including pension funds, insurance companies, mutual funds, exchange-traded funds and foundations and endowments.

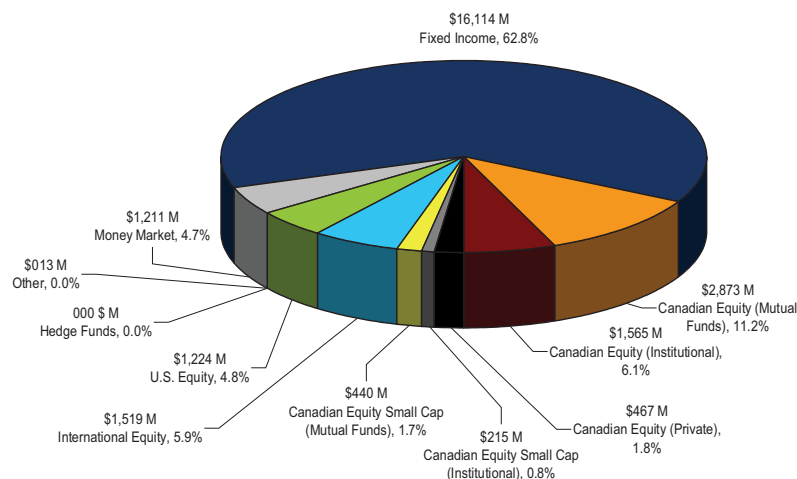
Assets Under Management

Natcan had, as of December 31 2011, AUM in excess of \$25.6 billion, including more than \$19.5 billion under the control or direction of National Bank and its affiliates.

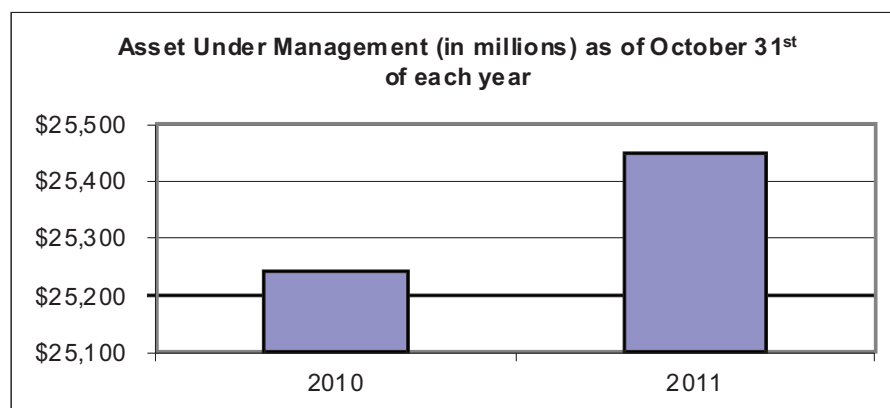
Depicted below is a breakdown of Natcan’s AUM as of December 31st 2011 by client category and asset class.

CLIENT CATEGORY	\$ (in millions)
Sub-advisory	18,679
Pension Funds	3,114
Foundation & Endowments	1,777
Insurance companies	1,458
Other accounts	489
High Net Worth	121

Assets Under Management - By Asset Class
As of December 31st, 2011
(\$25,641M)



Annual AUM increases for fiscal years 2010 and 2011 were 4.29% and 0.82%, respectively. Growth in AUMs was generated principally by capital market trends and new client acquisition. Natcan's AUM at the end of each of its last two fiscal years, is depicted below.



Revenues

Natcan derives its revenues principally from base management fees as well as from performance fees. Base management fees are calculated based on AUM and performance fees are calculated based on Natcan outperforming certain targets which are determined relative to specified industry benchmarks for each asset class.

Offices

Natcan leases offices in Montreal and Toronto and provides portfolio management services to clients in every province of Canada (other than Prince Edward Island) and in the Northwest Territories from these offices.

Investment and management philosophy

Natcan's management philosophy is based on the analysis of fundamental factors and capital preservation. Natcan believes that acquiring financial assets at attractive prices will yield superior risk adjusted results over time. As such, capital preservation and appreciation rank amongst the highest priorities when investing client assets.

Natcan forms a global view on capital markets and strives to diversify sources of value added by endeavouring to seize opportunities across all sectors of the capital markets.

Natcan's approach to active risk management emphasizes sector and security diversification. Natcan believes capital preservation and low relative volatility are the hallmarks of a sound risk-management approach.

Fixed-income assets

Natcan offers a wide range of fixed-income asset management services across maturity and security type ranges. These include Canadian Universe, Corporate, Socially Responsible Corporate, Passive and other fixed-income strategies including short-term, mid-term bonds, and money market securities.

Natcan's portfolio managers apply a quantitative approach focused on the reward/risk relationship which includes macroeconomic analyses. Natcan's objective is to maintain an asymmetrical relationship between expected returns and risks underwritten, as Natcan believes an investor's level of tolerance to risk must guide the targeted level of relative performance. Natcan's team of fixed-income professionals comprises 13 experts allowing for extensive coverage of the market across various major categories of fixed income securities.

Liability-Driven Investment Solutions (LDI)

The Liability-Driven Investment Solutions Group (LDI) creates investment solutions for pension plans, insurance companies, corporations, and all other entities whose objective is to finance a long-term liability. Various optimization tools, developed and maintained by Natcan, are used to create personalized risk management solutions for the clients. The Liability-Driven Investment Solutions Group's (LDI) professionals comprise 4 experts.

Equities

Natcan offers a broad range of equity investment products across investment style and geographical spectrums. Natcan's equity strategies include different styles implemented on both large-cap and small-cap equities as well as domestic, regional, international and global basis. Natcan's product line also comprises a Canadian equity Socially Responsible Investment solution. Each major strategy is managed by a specialized team with a proven track record in its field of expertise.

Canadian Large-Cap Equities

Three teams manage portfolios in the Canadian Large Cap equity segment on behalf of Natcan. One of these focuses on the Growth investment style, another on a conservative value oriented style and the third (Selexia Investment Management Inc. ("**Selexia**") operates under an exclusive sub-advisory relationship since January 2008 when Natcan signed a mutual exclusivity agreement with Selexia, which became Natcan's partner in the management of institutional Canadian large-cap equity assets.

Selexia's two key managers both have more than 20 years of equity market investment experience. Jacques Chartrand, co-founder of Natcan, has been heading the team since its inception. He ranks among the industry's most experienced active managers. Portfolios are characterized by the team's contrarian investment approach which combines Value security selection with a significant sector rotation component. This approach has been applied with discipline and consistency for over 20 years. Today, the Selexia team is comprised of four experts.

Small-Cap Equities

Natcan offers a diversified line of small-cap equity investment strategies across regional markets. These range from a Québec micro-cap product to a Global Small Cap strategy. Natcan's small-cap equity team comprises four dedicated experts. Great attention is granted to company fundamentals in building portfolios. As a result of the depth of resources, over 800 company meetings are held annually as we believe independent and thorough research provides us with an edge in this area.

Clients

Natcan managed, as of December 31, 2011, approximately 151 clients, comprised primarily of institutional clients, including pension funds (12.15%), insurance companies (5.69%), foundations & endowments (6.93%), sub-advisory (72.85%), high net worth (0.47%) and other accounts (1.91%). Natcan had, as of October 31, 2011, approximately 116 clients with AUM greater than \$10 million and representing 98.50% of the total AUM. Natcan had, as of December 31 2011, 76% of its AUM which is under the control or direction of the Bank and affiliates.

Employees

Natcan currently employs approximately 90 employees, including more than 45 investment professionals. The vast majority of these employees are employed by National Bank and have been seconded to Natcan, pursuant to the terms of a secondment agreement, dated as of November 1, 1998, entered into between National Bank and Natcan.

Natcan's portfolio managers and analysts focus on the risk and reward aspects of portfolio management while middle office, administrative, compliance, and portfolio analytics responsibilities are carried out by teams assisting them in their daily portfolio management tasks.

The operations sector is responsible for daily reconciliations and monitoring transactions with custodians and trustees, and the validation of monthly performance calculations for all accounts. The distribution sector is made up of investment professionals who manage client relationships, business development, communications and product development functions.

National Bank and certain of its affiliates also offer various services to Natcan under the terms of various agreements including with respect to human resources, information technology, finance and legal support.

Natcan's Summary of Financial Information

The following sets out certain financial information of Natcan for the periods indicated:

	Fiscal year ended October 31,	
\$ (in millions)	2011	2010
AUM	25,449,164,223	25,241,099,768
Revenue	47,224,568	45,946,376
Net Earnings	14,100,806	12,205,182

The above financial and operating information should be read in conjunction with, and qualified in their entirety by, Natcan's audited financial statements and the notes thereto contained in Annex F-1 to this Appendix "F".

ANNEX “F-1”

NATCAN FINANCIAL STATEMENTS

Financial statements of

NATCAN INVESTMENT MANAGEMENT INC.

October 31, 2011

NATCAN INVESTMENT MANAGEMENT INC.

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Independent auditor's report

To the shareholders of
Natcan Investment Management Inc.

We have audited the accompanying financial statements of Natcan Investment Management Inc., which comprise the balance sheet as at October 31, 2011, and the statements of earnings and comprehensive income, retained earnings and change in accumulated other comprehensive loss and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Natcan Investment Management Inc. as at October 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Samson Bélair / Deloitte & Touche s.e.n.c.r.l.¹

December 13, 2011

¹ Chartered accountant auditor permit No. 8845

NATCAN INVESTMENT MANAGEMENT INC.
Statement of earnings and comprehensive income
year ended October 31, 2011

	2011	2010
	\$	\$
Income		
Management fees	47,092,498	45,874,192
Investment income (Note 3)	132,070	72,184
	47,224,568	45,946,376
Expenses		
Salaries and fringe benefits	15,762,627	15,557,369
Rental expense	815,410	708,872
Other operating expenses	10,306,924	11,271,640
Interest on notes payable	70,455	107,315
Amortization of fixed and intangible assets	236,077	351,859
Amortization of deferred expenses	655,199	554,812
	27,846,692	28,551,867
Earnings before income taxes	19,377,876	17,394,509
Income taxes		
Current	5,493,574	5,049,324
Future	(216,504)	140,003
	5,277,070	5,189,327
Net earnings	14,100,806	12,205,182
Other comprehensive income		
Change in fair value of available-for-sale mutual fund investments, net of income taxes of \$1,604 in 2011 (\$3,314 in 2011)	3,711	3,774
Comprehensive income	14,104,517	12,208,956

NATCAN INVESTMENT MANAGEMENT INC.
Statement of retained earnings and change in accumulated
other comprehensive loss year ended October 31, 2011

	2011	2010
	\$	\$
Retained earnings, beginning of year	13,553,265	12,206,324
Net earnings	14,100,806	12,205,182
Dividends on Class A common shares	(11,432,636)	(9,312,401)
Dividends on Class D preferred shares - including income taxes of \$7,606 in 2011 (\$34,770 in 2010)	(781,174)	(1,545,840)
Retained earnings, end of year	15,440,261	13,553,265
Accumulated other comprehensive loss, beginning of year, net of income taxes	(23,356)	(27,130)
Change in unrealized net losses on available-for-sale mutual fund investments, net of income taxes	3,711	3,774
Accumulated other comprehensive loss, end of year, net of income taxes	(19,645)	(23,356)

NATCAN INVESTMENT MANAGEMENT INC.**Balance sheet****as at October 31, 2011**

	2011	2010
	\$	\$
Assets		
Current assets		
Cash	7,000,584	6,632,223
Accounts receivable (Note 4)	6,158,385	7,871,891
Deposit with the parent company, CDOR rate less 0.0625%, without maturity or terms of repayment	7,388,788	6,054,433
Income taxes receivable	-	49,038
Prepaid expenses	504,268	359,400
	21,052,025	20,966,985
Mutual fund investments (Note 5)	221,860	216,545
Fixed and intangible assets (Note 6)	227,024	449,684
Deferred expenses	355,336	510,862
Goodwill	5,454,484	5,454,484
	27,310,729	27,598,560
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	8,686,220	10,560,603
Current portion of notes payable	640,000	640,000
Income taxes	552,349	-
Future income taxes	633,470	849,974
	10,512,039	12,050,577
Notes payable (Note 8)	260,000	900,000
	10,772,039	12,950,577
Commitments and contingency (Notes 11 and 12)		
Shareholders' equity		
Share capital (Note 9)	1,118,074	1,118,074
Retained earnings	15,440,261	13,553,265
Accumulated other comprehensive income	(19,645)	(23,356)
	15,420,616	13,529,909
	16,538,690	14,647,983
	27,310,729	27,598,560

Approved by the Board

Pascal Duquette, Director

Michael Quigley, Director

NATCAN INVESTMENT MANAGEMENT INC.
Statement of cash flows
year ended October 31, 2011

	2011	2010
	\$	\$
Operating activities		
Net earnings	14,100,806	12,205,182
Adjustments for:		
Amortization of fixed and intangible assets	236,077	351,859
Amortization of deferred expenses	655,199	554,812
Future income taxes	(216,504)	140,003
Changes in non-cash operating working capital items:		
Accounts receivable	1,713,506	2,930,756
Income taxes receivable	599,783	2,412,345
Prepaid expenses	(144,868)	97,823
Accounts payable and accrued liabilities	(1,874,383)	(1,167,151)
Cash flows provided by operating activities	15,069,616	17,525,629
Investing activities		
Increase in deposit with the parent company	(1,334,355)	(430,705)
Increase in fixed and intangible assets	(13,417)	(62,061)
Increase in deferred expenses	(499,673)	(340,972)
Cash flows used in investing activities	(1,847,445)	(833,738)
Financing activities		
Repayment of notes payable	(640,000)	(640,000)
Dividends paid including income taxes	(12,213,810)	(10,858,241)
Cash flows used in financing activities	(12,853,810)	(11,498,241)
Net increase in cash	368,361	5,193,650
Cash, beginning of year	6,632,223	1,438,573
Cash, end of year	7,000,584	6,632,223

Cash flows from operating activities include income taxes paid in the amount of \$4,893,791 in 2011 (\$2,668,434 in 2010) and interest paid in the amount of \$86,070 in 2011 (\$122,931 in 2010).

1. Description of business

The Company was incorporated under Part IA of the *Companies Act* (Quebec), and is now governed by the *Quebec Business Corporation Act*. It provides investment advisory services and manages securities portfolios.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and reflect the following significant accounting policies:

a) Accounting standards adopted

Classification and measurement of financial instruments

The accounting framework for financial instruments requires that all financial assets and financial liabilities be classified based on their characteristics, management's intention, or the choice of category, in certain circumstances. When they are initially recognized, all financial assets are classified as held for trading, held to maturity, available for sale or loans and receivables, while financial liabilities are classified as held for trading or not held for trading.

The Company made the following designations:

Cash	Held for trading
Accounts receivable	Loans and receivables
Deposit with the parent company	Held for trading
Mutual fund investments	Available for sale
Accounts payable and accrued liabilities	Not held for trading
Notes payable	Not held for trading

Held-for-trading financial assets

Held-for-trading financial assets are recognized at fair value. Transaction costs involved in acquiring or issuing such financial instruments are recorded in the statement of earnings upon initial recognition. Changes in fair value are charged to earnings in the year in which they occur.

The deposit with the parent company has been designated by the Company as held for trading due to its short-term maturity.

Available-for-sale financial assets

Available-for-sale financial assets are measured at fair value and periodically valued to determine whether an objective indication of impairment exists. The factors considered by the Company to determine whether an objective indication of impairment exists include the duration and materiality of the impairment in fair value compared to cost or amortized cost, the financial condition and near-term prospects of the issuer, and the Company's ability and intent to hold the investment until it fully recovers its fair value. If an objective indication of impairment exists resulting in an other-than-temporary impairment in fair value below amortized cost, the cumulative loss in "Other comprehensive income" is reclassified in investment income in the statement of earnings. Since November 1, 2008, impairment losses recorded in earnings in respect of debt securities classified as being available for sale should be restated in earnings if, during a subsequent period, the fair value of the debt security increases and the increase may objectively be associated with an event that occurred after the loss was recognized.

2. Significant accounting policies (continued)

a) Accounting standards adopted (continued)

Loans and receivables

Loans and receivables are recorded at amortized cost using the effective interest method. The interest calculated using the effective interest method is presented in the statement of earnings as "Investment income."

Accounts receivable are recognized at amortized cost.

Financial liabilities not held for trading

Financial liabilities not held for trading are recognized at amortized cost using the effective interest method and comprise all financial liabilities other than derivative financial instruments. The interest calculated using the effective interest method is presented in the statement of earnings as "Interest on notes payable."

Embedded derivatives

The Company selected November 1, 2002 as the transition date for embedded derivatives. As at October 31, 2011, the Company does not have any embedded derivatives.

Management fee income

Management fee income is recognized when persuasive evidence of a final agreement exists, services have been rendered, the selling price is fixed or determinable and collectability is reasonably assured.

Management fee income is based on the fair market value of the respective portfolios and is recognized using the accrual method of accounting.

Investment income

Investment income is recognized using the accrual method of accounting. Interest income is recognized based on the number of days the mutual fund investments was held during the year and is calculated using the effective interest method. It is recorded in the statement of earnings under "Investment income."

Fixed and intangible assets

Fixed and intangible assets are recognized at cost less accumulated amortization and are amortized over their estimated useful lives at the following annual rates and terms:

Fixed assets:	
Computer equipment	3 years
Furniture and equipment	20%
Leasehold improvements	14%
Intangible assets:	
Capitalized projects	3 years
Software	20%

2. Significant accounting policies (continued)

Deferred expenses

Deferred expenses consist of sales commissions paid to agents of the *Natcan QSSP 2 Investment Fund Inc.* at the time of issuance. Deferred expenses are amortized on a straight-line basis over a period of six years or through to December 2013, i.e., the period during which the Company recovers the costs it incurred.

Goodwill

Goodwill represents the excess of the purchase price of businesses acquired over the net of the amounts assigned to the assets acquired and liabilities assumed. Goodwill is not amortized. It is assessed for impairment annually or more frequently if events or changes in circumstances indicate that there may be an impairment. Goodwill is allocated to reporting units and potential goodwill impairment is assessed based on a comparison of the carrying value of each reporting unit to its fair value. If identified, a potential impairment is quantified by comparing the carrying value of the goodwill to the fair value. The fair value of a reporting unit is calculated using discounted cash flows.

Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, future income taxes are recognized based on the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax bases, using the enacted and substantively enacted income tax rates for the years in which the differences are expected to reverse. The future income tax assets recognized are limited to the amount that is more likely than not to be realized.

Foreign currency translation

Monetary assets and liabilities in foreign currency are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Revenue and expenses in foreign currency are translated at the exchange rate in effect at the date of the transaction. Exchange gains and losses are included in the earnings for the year.

Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

2. Significant accounting policies (continued)

b) Recent accounting standards pending adoption

International Financial Reporting Standards (IFRS)

In February 2008, the Canadian Accounting Standards Board confirmed that all publicly accountable enterprises would be required to report under IFRS for fiscal years beginning on or after January 1, 2011, including comparative financial information. Consequently, the Company will apply IFRS commencing November 1, 2011. It will present its financial statements for the year ending October 31, 2012 prepared on an IFRS basis and will present comparatives, specifically, an opening balance sheet as at November 1, 2010.

In order to prepare for the transition to IFRS, the parent company has established a project across the financial group, which includes the Company. A specialized team and a formal governance structure have been formed as part of this structure.

First-time adoption of IFRS

The adoption of IFRS requires the Company to follow the recommendations of IFRS 1, *First-time Adoption of International Financial Reporting Standards*, which generally prescribes that entities must retrospectively apply all IFRS standards upon transition, which, for the Company, is November 1, 2010. When a standard is applied retrospectively, the opening balance sheet will be presented as though IFRS had always been applied, and the differences between Canadian GAAP and IFRS will be reflected in the IFRS opening retained earnings.

Recent IFRS developments

The International Accounting Standards Board ("IASB") continues to propose changes to IFRS. Accordingly, IFRS standards are being revised, in particular financial asset and liability classification and measurement and financial statement presentation. The changes will likely be mandatory for the Company only after the initial publication of its IFRS financial statements.

The parent company continues to monitor the developments in IFRS standards applicable to the Company and to maintain a follow-up of its observations. If changes are required, adjustments will be made accordingly.

3. Investment income

	<u>2011</u>	<u>2010</u>
	\$	\$
Interest income		
Held-for-trading financial assets	132,070	72,184

4. **Accounts receivable**

	<u>2011</u>	<u>2010</u>
	\$	\$
Parent company	790,100	1,221,451
Company under common control	1,830,569	2,004,194
Other	3,537,716	4,646,246
	<u>6,158,385</u>	<u>7,871,891</u>

5. **Mutual fund investments**

	<u>2011</u>		<u>2010</u>
	Gross		Fair
	unrealized	Fair	value
	losses	value	value
	\$	\$	\$
Financial assets			
Mutual fund investments –			
Natcan Currency			
Management Fund	250,000	28,140	221,860
			216,545

The mutual fund investments are measured periodically to determine whether there is objective evidence of another-than-temporary impairment in value. Gross unrealized losses on equity securities are mainly caused by market price fluctuations. The Company has the ability and intent to hold these securities for a period of time sufficient to allow for full recovery of their value. As at October 31, 2011, the Company determined that the unrealized gross losses are temporary in nature.

6. **Fixed and intangible assets**

	<u>2011</u>		<u>2010</u>
	Cost	Accumulated	Net book
	\$	amortization	value
	\$	\$	\$
Fixed assets			
Computer equipment	1,059,925	1,049,735	10,190
Furniture and equipment	805,640	786,382	19,258
Leasehold improvements	1,905,248	1,758,720	146,528
	<u>3,770,813</u>	<u>3,594,837</u>	<u>175,976</u>
			301,112
Intangible assets			
Capitalized projects	300,906	252,644	48,262
Software	5,135	2,349	2,786
	<u>306,041</u>	<u>254,993</u>	<u>51,048</u>
	<u>4,076,854</u>	<u>3,849,830</u>	<u>227,024</u>
			449,684

7. Accounts payable and accrued liabilities

	<u>2011</u>	<u>2010</u>
	\$	\$
Accounts payable and accrued liabilities		
Parent company	2,626,611	4,834,386
Company under common control	190,295	182,878
Corporate shareholder	559,525	691,123
Other	4,678,587	4,276,073
Commodity taxes payable	631,202	576,143
	8,686,220	10,560,603

8. Notes payable

	<u>2011</u>	<u>2010</u>
	\$	\$
Note payable to the parent company, 6.45%, repayable in annual instalments of \$380,000, maturing on March 11, 2012	380,000	760,000
Note payable to a company under common control, 4.75%, repayable in annual instalments of \$260,000, maturing on October 31, 2013	520,000	780,000
900,000	1,540,000	
Current portion	640,000	640,000
	260,000	900,000

Instalments on the notes payable over the next years amount to \$640,000 in 2012 and \$260,000 in 2013.

9. Share capital

Authorized

An unlimited number of shares without par value

Class A common shares, voting, participating

Class B common shares, non-voting, participating

Class C preferred shares, non-voting, non-participating, priority dividend, issuable in series, the other terms and conditions to be established by resolution of the Board of Directors for each series of shares

Class D preferred shares, non-voting, non-participating, preferred cumulative quarterly dividend for an amount equal to the net earnings of Canadian management

	2011	2010
	\$	\$
Issued and paid		
1,385,774 Class A common shares	1,117,074	1,117,074
1,000 Class D preferred shares	1,000	1,000
	1,118,074	1,118,074

10. Related party transactions

The related parties of the Company are its ultimate parent company, National Bank of Canada, its parent company and the subsidiaries of the ultimate parent company. Transactions between the Company and its related parties occurred in the normal course of business and were measured at the exchange amount, which is the amount established and agreed to by the related parties. The financial statements include the following items:

	2011	2010
	\$	\$
Parent company		
Revenue		
Bank interest	32,237	5,179
Interest on deposit	77,591	32,825
Expenses		
Interest on notes payable	33,405	57,915
Bank charges	6,386	2,593
Administrative expenses	363,546	355,898
Referral commission	61,170	58,321
Rental expense NBC	839,341	734,706
Corporate charges	2,134,479	2,112,573

10. Related party transactions (continued)

	<u>2011</u>	<u>2010</u>
	\$	\$
Company under common control		
Revenue		
Management fees	24,595,369	24,893,180
Expenses		
Interest on notes payable	37,050	49,400
Administrative expenses	303,750	275,524
Commissions	655,198	554,812
Discounts	109,566	107,487
Corporate shareholder		
Expenses		
Management fees	2,281,971	3,500,768
Funds under management		
Mutual funds	221,860	216,545

11. Commitments

The Company has committed to pay to the ultimate parent company a total of \$2,678,573 under a lease contract that expires in 2024. The minimum amounts payable over the next five years and remaining balance are as follows:

	\$
2012	695,783
2013	697,666
2014	542,521
2015	74,516
2016	77,221
2017 and subsequent years	590,866

12. Contingency

The Company is the subject of a lawsuit in damages and interest for termination benefits. Management believes that this lawsuit is without merit, and consequently, no provision was recorded in the books in this regard.

13. Financial instruments and risk management

Carrying value of financial instruments by category

Financial assets and liabilities are recognized in the balance sheet at fair value, cost, or amortized cost using the categories set out in the financial instruments accounting framework. The carrying values for the categories of financial assets and financial liabilities are presented in the table below. Also, the last column shows the maximum exposure to credit risk at the balance sheet date, which is the carrying value.

	2011				
	Held for trading	Available for sale	Loans and receivables	Financial liabilities at amortized cost	Maximum exposure to credit risk
	\$	\$	\$	\$	\$
Financial assets					
Cash	7,000,583	-	-	-	7,000,583
Accounts receivable	-	-	6,158,385	-	6,158,385
Deposit with the parent company	7,388,788	-	-	-	7,388,788
Mutual fund investments	-	221,860	-	-	221,860
Total financial assets	14,389,371	221,860	6,158,385	-	20,769,616
Financial liabilities					
Accounts payable and accrued liabilities	-	-	-	9,238,569	-
Notes payable	-	-	-	900,000	-
Total financial liabilities	-	-	-	10,138,569	-

13. Financial instruments and risk management (continued)

Carrying value of financial instruments by category (continued)

	2010				
	Held for trading	Available for sale	Loans and receivables	Financial liabilities at amortized cost	Maximum exposure to credit risk
	\$	\$	\$	\$	\$
Financial assets					
Cash	6,632,223	-	-	-	6,632,223
Accounts receivable	-	-	7,871,891	-	7,871,891
Deposit with the parent company	6,054,433	-	-	-	6,054,433
Mutual fund investments	-	216,545	-	-	216,545
Total financial assets	12,686,656	216,545	7,871,891	-	20,775,092
Financial liabilities					
Accounts payable and accrued liabilities	-	-	-	10,560,603	-
Notes payable	-	-	-	1,540,000	-
Total financial liabilities	-	-	-	12,100,603	-

a) Fair value

The following methods and assumptions were used to determine the estimated fair value of the financial instruments:

The fair value of cash, accounts receivable, deposit with the parent company and accounts payable and accrued liabilities approximates their carrying values due to their short-term maturities.

The fair value of mutual fund investments is presented on the balance sheet and is based on quoted market prices.

The fair value of the notes payable could not be determined because there is no active market having substantially the same economic characteristics.

13. Financial instruments and risk management (continued)

b) Fair value hierarchy

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the importance of the data used to perform each evaluation. The fair value hierarchy is made up of the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on data corresponding to quoted prices for similar instruments in active markets; to quoted prices for identical or similar instruments in non-active markets; to data other than quoted prices used in a valuation model, that are observable for the instrument evaluated; and to data derived from mainly observable data or that is corroborated by market data by correlation or other link;
- Level 3 – valuation techniques with significant unobservable market parameters.

The hierarchy levels in evaluating fair value require the use of observable data on the market each time such data exists. A financial instrument is classified at the lowest level of the hierarchy for which significant data was taken into account when measuring the fair value.

The following table presents the financial instruments measured at fair value on a recurring basis at October 31, 2011, classified according to the fair value hierarchy described below:

	2011			Total assets at fair value
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
Cash	7,000,583	-	-	7,000,583
Deposit with the parent company	7,388,788	-	7,388,788	
Natcan Currency Management Fund	-	-	221,860	221,860
Total financial assets	14,389,371	-	221,860	14,611,231

13. Financial instruments and risk management (continued)

b) Fair value hierarchy (continued)

	2010			Total assets at fair value
	Level 1	Level 2	Level 3	
	\$	\$	\$	
Cash	6,632,223	-	-	6,632,223
Deposit with the parent company	6,054,433	-	6,054,433	
Natcan Currency Management Fund	-	-	216,545	216,545
Total financial assets	12,686,656	-	216,545	12,903,201

The financial instruments whose fair value is classified in Level 3 mainly consist of investments in asset-backed commercial paper in the amount of \$99,387, bankers' acceptances in the amount of \$31,309, and cash in the amount of \$91,164. The Company performs sensitivity analyses for fair value measurements classified in Level 3, changing unobservable inputs to one or more reasonably possible alternative assumptions. These sensitivity analyses result in a negligible change in the fair value classified in Level 3.

c) Changes in the fair value of financial instruments classified in Level 3

The following table summarizes the changes in Level 3 for the year ended October 31, 2011. The Company classifies financial instruments in this level when the valuation technique is based on at least one significant input that is not observable in the markets or due to a lack of liquidity in certain markets. The valuation technique may also be based, in part, on observable market inputs. The gains and losses presented below may therefore include changes in fair value based on observable and unobservable inputs.

	Available- for-sale securities \$
Fair value as at November 1, 2010	216,545
Total unrealized losses included in other comprehensive income	5,315
Fair value as at October 31, 2011	221,860

13. Financial instruments and risk management (continued)

Position risk

Position risk for the Company corresponds to the risk that the fluctuations in the prices of listed securities and in interest rates result in losses. The risk related to the fluctuation in the prices of listed securities represents the loss the Company might incur due to changes in the fair value of a given instrument. Interest rate risk corresponds to the possible effect of fluctuations in interest rates on the Company's earnings and the return on shareholders' equity.

The following table presents financial instruments that are interest-rate sensitive as at October 31, 2011 and 2010. The actual yield on maturity is the rate used in discounting that provides the carrying amount of the financial instruments.

2011				
	Floating rate	More than 2 years and less than 10 years	Non- interest sensitive	Total
	\$	\$	\$	\$
Assets				
Deposit with the parent company	7,388,788	-	-	7,388,788
Mutual fund investments	-	-	221,860	221,860
	7,388,788	-	221,860	7,610,648
Liabilities				
Notes payable	-	900,000	-	900,000
2010				
	Floating rate	More than 2 years and less than 10 years	Non- interest sensitive	Total
	\$	\$	\$	\$
Assets				
Deposit with the parent company	6,054,433	-	-	6,054,433
Mutual fund investments	-	-	216,545	216,545
	6,054,433	-	216,545	6,270,978
Liabilities				
Notes payable	-	1,540,000	-	1,540,000

13. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk of incurring a financial loss if a debtor fails to fully honour its contractual commitments to the Company.

Credit risk for the Company stems primarily from its accounts receivable. The Company does not require any security from its clients. The accounts receivable balance is managed and analyzed on an ongoing basis, and consequently, the Company's exposure to doubtful accounts is not material.

Interest rate risk

Interest rate risk refers to the potential impact of interest rate fluctuations on the Company's results and return on shareholders' equity.

The notes payable bear interest at a fixed rate and therefore expose the Company to the risk of changes in fair value resulting from interest rate fluctuations.

The deposit with the parent company bears interest at a variable rate and therefore exposes the Company to cash flow risk resulting from interest rate fluctuations.

The Company's other financial assets and liabilities do not present any interest rate risk because they do not bear interest.

The Company does not use derivative financial instruments to reduce its interest rate risk exposure.

Foreign currency risk

Foreign currency risk is the risk of changes in asset value that the Company faces with respect to assets established in foreign currencies due to exchange rate fluctuations.

The Company is exposed to foreign currency risk as a result of its cash and investments denominated in U.S. dollars. As at October 31, 2011, assets denominated in U.S. dollars amounted to \$157,869 (\$80,210 in 2010).

The Company does not enter into foreign exchange contracts to hedge its foreign exchange risk and therefore it assumes this risk.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to honour daily cash commitments without resorting to costly and untimely measures. Liquidity risk occurs when sources of funding become insufficient to meet scheduled payments under the Company's commitments. Liquidity risk stems from two sources: mismatched cash flows related to assets and liabilities and the characteristics of certain credit commitments.

13. Financial instruments and risk management (continued)

Liquidity risk (continued)

The Company strives to meet the following objectives at all times:

- honour all cash outflow commitments (both on- and off-balance sheet) on a continuous basis;
- avoid situations where funds have to be raised quickly, resulting in the Company having to pay an excessive premium on funding costs or sell readily marketable assets under unfavourable conditions;
- adhere to the risk limits; and
- closely follow the best practices used in the market and changes in liquidity regulations.

The Board of Directors of the ultimate parent company, on the recommendation of the Audit and Risk Management Committee, approves a detailed liquidity risk management policy. The prudent policy that has been adopted is that of the parent company. The policy identifies the oversight responsibilities and the development and the implementation of effective techniques for monitoring, measuring and controlling the exposure to liquidity risk.

As at October 31, 2011, the financial liabilities of the Company were as follows:

	Book value	2012	2013	2014
	\$	\$	\$	\$
Accounts payable and accrued liabilities	9,238,569	9,238,569	-	-
Notes payable	900,000	640,000	260,000	-
	10,138,569	9,878,569	260,000	-

Capital management

Capital management consists in maintaining the balance between risk-adjusted capital and regulatory capital ratios that satisfy minimum requirements for a well-capitalized portfolio management company, as required by the regulatory agency.

The Company must comply in all respects with the requirements set out in the Annual Report on Working Capital – Regulation 31-103 of the Autorité des valeurs mobilières. The report must be prepared in accordance with GAAP and be read in conjunction with the rules and policies, including, in particular, possessing a working capital at least equal to the sum of \$100,000 in accordance with Section 12.1, and in accordance with the insurance requirements, namely a deductible of \$1,010,000 as per Appendix 5.3.

The financial information presented in Form 31-103F1 is reviewed and approved monthly and annually by management, which is responsible for managing, optimizing and making decisions concerning the sound management of risk-adjusted capital.

13. Financial instruments and risk management (continued)

The financial information in the report for the Investment Industry Regulatory Organization of Canada is reviewed and approved monthly and annually by senior management, which is responsible for managing, optimizing and making decisions concerning the sound management of risk-adjusted capital.

Working capital is managed in such a way as to provide advance warning of a member encountering financial difficulties. It anticipates capital shortages or liquidity problems and encourages the member to build an amount of risk adjusted capital as required under Regulation 31-103 on transitional relief from account statement delivery requirements.

The Company's excess working capital as at October 31, 2011 was \$8,665,718 (\$6,547,008 as at October 31, 2010).

14. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

APPENDIX “G”

FIERA SCEPTRE PRO FORMA FINANCIAL STATEMENTS

Unaudited Pro Forma Consolidated Financial Statements

FIERA SCEPTRE INC.

As at and for the year ended September 30, 2011

FIERA SCEPTRE INC.

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FIERA SCEPTRE INC.
Unaudited Pro Forma Consolidated Statements of Earnings

	Fiera Sceptre Year ended September 30, 2011	Natcan Year ended October 31, 2011	Pro forma Assumptions	Pro forma Year ended September 30, 2011
	\$	\$	\$	\$
Revenue				
Base management fees	68,165,030	47,092,498	-	115,257,528
Performance fees	3,940,542	-	-	3,940,542
Interest and other revenues	665,879	132,072	-	787,949
	72,761,451	47,224,568	-	119,986,019
Selling, general and administrative fees	48,770,659	26,884,961	-	75,655,620
External managers	2,692,924	-	-	2,692,924
Amortization of property and equipment and deferred charges	829,942	891,276	-	1,721,218
Amortization of intangible assets	3,198,631	-	10,855,000 (e)	14,053,631
Write-off of property and equipment	490,252	-	-	490,252
Interest on long-term debt	-	70,455	6,285,000 (b)	6,355,455
Loss on disposal investments	7,919	-	-	7,919
	55,990,327	27,846,692	17,140,000	101,977,019
Earnings before the following items	16,771,124	19,377,876	(17,140,000)	19,009,000
Restructuring costs	3,350,146	-	8,000,000 (c,d)	11,350,146
Earnings before taxes	13,420,978	19,377,876	(25,140,000)	7,658,854
Current income taxes (recovered)	4,409,623	5,493,574	(6,819,000) (b,c,d,e)	3,084,197
Future income taxes	53,555	(216,504)	-	(162,949)
	4,463,178	5,277,070	(6,819,000)	2,921,248
Net earnings	8,957,800	14,100,806	(18,321,000)	4,737,606
Weighted average number of shares	36,531,305		19,711,569	56,242,874
Basic earnings per share (note 2f))	0.25			0.08
Diluted earnings per share (note 2f))	0.24			0.08

FIERA SCEPTRE INC.
Unaudited Pro Forma Consolidated Balance Sheet

	Fiera Sceptre As at September 30, 2011	Natcan As at October 31, 2011	Excluded assets	Natcan Adjusted As at October 31, 2011	Pro forma adjustments	Pro-forma As at September 30, 2011
	\$	\$	\$	\$	\$	\$
Assets						
Current assets						
Cash	1,714,569	7,000,584	(7,000,584) (aa)	-	-	1,714,569
Restricted cash	218,501	-	-	-	-	218,501
Investments	983,339	7,388,788	(7,388,788) (aa)	-	-	983,339
Accounts receivable and accrued	16,468,204	6,158,385	(4,494,764) (aa)	1,663,621	-	18,131,825
Prepaid expenses	733,413	504,268	-	504,268	-	1,237,681
Future income taxes	63,741	-	-	-	-	63,741
	20,181,767	21,052,025	(18,884,136)	2,167,889	-	22,349,656
Long-term investments	713,545	221,860	(221,860) (aa)	-	-	713,545
Property and equipment	2,507,340	227,024	-	227,024	-	2,734,364
Deferred charges	224,143	355,336	-	355,336	-	579,479
Intangible assets	46,383,341	-	-	-	132,300,000 (a)	178,683,341
Goodwill	90,470,456	5,454,484	-	5,454,484	(5,454,484) (a)	253,488,038
				163,017,582 (a)		
	160,480,592	27,310,729	(19,105,996)	8,204,733	289,863,098	458,548,423

FIERA SCEPTRE INC.
Unaudited Pro Forma Consolidated Balance Sheet

	Fiera Sceptre As at September 30, 2011	Natcan As at October 31, 2011	Excluded assets	Natcan Adjusted As at October 31, 2011	Pro forma adjustments	Pro-forma As at September 30, 2011
	\$	\$	\$	\$	\$	\$
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	11,527,167	8,686,220	(6,694,389) (aa)	1,991,831	-	13,518,998
Amount due to related companies	195,110	-	-	-	-	195,110
Client deposits	218,501	-	-	-	-	218,501
Deferred income	17,677	-	-	-	-	17,677
Income tax payable	-	552,349	(552,349) (aa)	-	-	-
Prepaid management fees	551,061	-	-	-	-	551,061
Short term portion of long-term debt	-	640,000	(640,000) (aa)	-	-	-
Future income taxes	-	633,470	(633,470) (aa)	-	-	-
	12,509,516	10,512,039	(8,520,208)	1,991,831	-	14,501,347
Deferred lease obligations						
Deferred lease obligations	319,705	-	-	-	-	319,705
Lease inducements	735,676	-	-	-	-	735,676
Future income taxes	8,935,914	-	-	-	8,260,000 (a)	17,195,914
Other long-term liabilities	370,252	260,000	(260,000) (aa)	-	-	370,252
Long-term debt	-	-	-	-	97,195,000 (a)	97,195,000
Fair value of purchase price obligation payments	-	-	-	-	37,034,000 (a)	37,034,000
	22,871,063	10,772,039	(8,780,208)	1,991,831	142,489,000	167,351,894
Shareholders' equity						
Share capital	135,586,646	1,118,074	-	-	137,981,000 (a)	273,567,646
Contributed surplus	1,703,365	15,440,261	-	-	-	1,703,365
Purchase price obligation classified as equity	-	-	-	-	15,606,000 (a)	15,606,000
Retained earnings	302,600	-	-	-	-	302,600
Accumulated other comprehensive (loss) income	16,918	(19,645)	-	-	-	16,918
	137,609,529	16,538,690	(10,325,788)	6,212,902	(6,212,902) (a)	291,196,529
	160,480,592	27,310,729	(19,105,996)	8,204,733	289,863,098	458,548,423

1. Transaction

On February 27, 2012, Fiera Sceptre Inc. (“**Fiera Sceptre**” or the “**Corporation**”) announced that it had signed with Natcan Investment Management Inc. (“**Natcan**”) and National Bank of Canada a definitive asset purchase agreement (the “**Acquisition Agreement**”) for substantially all of the business assets (the “**Purchased Assets**”) of Natcan (the “**Transaction**”). Under the agreement, the Corporation will purchase the Purchased Assets from Natcan for an aggregate purchase price (the “**Purchase Price**”) of \$309,500,000 plus the amount of the Assumed Liabilities (as defined in the Acquisition Agreement), subject to reduction in the circumstances described below. The Purchase Price will be satisfied:

- (i) at the closing time of the Transaction by: (A) the making by Fiera Sceptre of a cash payment (the “**Cash Consideration**”) in an amount equal to \$235 million less the value of the Consideration Shares (as defined below); (B) the issuance by Fiera Sceptre of the Consideration Shares; and (C) the assumption by Fiera Sceptre of the Assumed Liabilities. The value of each Consideration Share will be calculated at the Closing Date using a VWAP based on two separate 10 trading day periods; provided, however, that in the event the price per Consideration Share is (x) less than \$7.00, the price to Natcan per Consideration Share will be deemed to be equal to \$7.00; or (y) more than \$9.00, the price to Natcan per Consideration Share will be deemed to be equal to \$9.00; and
- (ii) following the Closing Time by: (A) the making of a \$8.5 million payment in respect of each of the first seven Years (each, an “**Annual Payment**”), unless certain specified minimum AUM thresholds are not satisfied by Natcan and its Affiliates; and (B) by the making of a one-time payment in the amount of \$15 million in respect of the seventh Year (the “**Seventh Year Payment**”), unless certain specified minimum AUM thresholds are not satisfied by Natcan and its Affiliates and Fiera Sceptre does not receive certain specified minimum amounts of annual base and performance management fees during such Year.

“**Consideration Shares**” is defined under the Acquisition Agreement to mean 19,711,569 Class A Subordinate Voting Shares, provided that the number of Consideration Shares shall be subject to adjustment for: (i) the exercise of options by option holders to purchase Class A Subordinate Voting Shares, in accordance with the terms of the Corporation’s 2007 Stock Option Plan; and (ii) any consolidations or splits of the Class A Subordinate Voting Shares prior to Closing Time, such that upon the occurrence of any such event after February 24, 2012 the aggregate number of Class A Subordinate Voting Shares to be received by Natcan under the Acquisition Agreement shall equal the number of securities of the Corporation that it would have been entitled to receive as if it had owned the number of Class A Subordinate Voting Shares prior to each such event. The Consideration Shares will represent 35% of all issued and outstanding Class A Subordinate Voting Shares and Class B Special Voting Shares of the Corporation immediately after the closing of the Transaction.

The Annual Payment in respect of the Year commencing on July 1, 2012 and ending on June 30, 2013 (the “**First Year**”) shall be satisfied with a number of Class A Subordinate Voting Shares issued by Fiera Sceptre (the “**First Year Payment Shares**”) equal to the lesser of (i) the amount of the Annual Payment in respect of the First Year divided by the Price Per Share, (ii) 2.5% of the total number of Shares that are to be issued and outstanding (on a non-diluted basis) immediately following the issuance of the First Year Payment Shares, and (iii) the number of Shares which would, if issued, result in the Natcan and its Affiliates holding 40% of all of the issued and outstanding Shares. For purposes of these provisions, “**Price Per Share**” means the VWAP for the twenty day period prior to the applicable share issue date.

1. Transactions (continued)

The Annual Payment in respect of the Year commencing on July 1, 2013 and ending June 30, 2014 (the “**Second Year**”) shall be satisfied with a number of Class A Subordinate Voting Shares issued by Fiera Sceptre (the “**Second Year Payment Shares**”) equal to the lesser of (i) the amount of the Annual Payment in respect of the Second Year divided by the Price Per Share, (ii) 2.5% of the total number of Shares that are to be issued and outstanding (on a non-diluted basis) immediately following the issuance of the Second Year Payment Shares, and (iii) the number of Shares which would, if issued, result in Natcan and its Affiliates holding more than 40% of all of the issued and outstanding Shares.

Each Annual Payment following the Second Year and the Seventh Year Payment may be satisfied, at the election of Fiera Sceptre (in its sole and unfettered discretion), in cash or with Class A Subordinate Voting Shares issued by Fiera Sceptre and listed for trading on the TSX. In the event Fiera Sceptre decides to satisfy its obligations to pay an Annual Payment or the Seventh Year Payment with Class A Subordinate Voting Shares, then Fiera Sceptre shall issue and deliver to Natcan or as directed by Natcan, that number of Class A Subordinate Voting Shares that is equal to such Annual Payment or Seventh Year Payment, as applicable, divided by the VWAP of the Class A Subordinate Voting Shares on the TSX for the twenty (20) days period prior to the date at which such shares are issued, rounded down to the nearest whole number. Any such issuance shall be subject to the receipt of all required TSX approvals and satisfaction of applicable securities laws.

For purposes of preparing the Unaudited Pro Forma Consolidated Balance Sheet, the value assigned to the Corporation’s Class A shares was the Minimum Transaction Share Price of \$7.00 per share since the VWAP for the 10-day period ended prior to the date of the Acquisition Agreement is less than \$7.00 per share. Accordingly, the Consideration Shares were valued at \$137,981,000 with the remaining Cash Consideration established at \$97,019,000 for an aggregate amount of \$235 million. Should the closing price of Fiera Sceptre’s share at closing of this Transaction be different than the Consideration Share Price used for Pro Forma illustration purposes, the value assigned to the Consideration Shares will be adjusted accordingly.

The Transaction, which has been approved by the Corporation’s Board of Directors and the Board of Directors of Natcan, is expected to close on or prior to April 30, 2012 subject to customary closing conditions, including regulatory approvals and approval by the Corporation’s shareholders.

The accompanying Unaudited Pro Forma Consolidated Balance Sheet as at September 30, 2011 and Unaudited Pro Forma Consolidated Statements of earnings for the year ended September 30, 2011 (collectively, the Pro Forma Statements) have been prepared by management for inclusion in a Management Information Circular of the Corporation dated March 1, 2012 (the “**Circular**”) in connection with the special meeting of the shareholders of the Corporation to approve the Transaction.

The Pro Forma Statements have been prepared from, and should be read in conjunction with the following financial statements, which are included in the Circular or available on SEDAR.

- The Audited Consolidated Financial Statements of the Corporation as at and for the year ended September 30, 2011; and
- The Audited Financial Statements of Natcan as at and for the year ended October 31, 2011.

1. Transactions (continued)

The Pro Forma Statements are presented for illustrative purposes only and may not be indicative of the financial results or results of operations that actually would have occurred if the events reflected therein had been in effect on the dates indicated or the results which may have been obtained in the future. In preparing the Pro Forma Statements, no adjustments have been made to reflect the potential operating synergies and administrative cost savings that could result from the combination of the Corporation and Natcan.

The Unaudited Pro Forma Consolidated Financial Statements of the Corporation have been compiled from and include:

- a) An Unaudited Pro Forma and Consolidated Balance Sheet as at September 30, 2011, giving effect to the Transaction and various assumptions and adjustments described in Note 2 as if those had occurred at September 30, 2011, therefore combining the audited consolidated balance sheet of Fiera Sceptre as at September 30, 2011, with the audited consolidated balance sheet of Natcan as at October 31, 2011.
- c) An Unaudited Pro Forma Consolidated Statement of Earnings for the year ended September 30, 2011, giving effect to the Transaction and various assumptions and adjustments described in Note 2 as if those had occurred on October 1, 2010, therefore combining:
 - the Audited Consolidated Statement of Earnings of Fiera Sceptre for the year ended September 30, 2011;
 - the Audited Consolidated Statement of Earnings of Natcan for the year ended October 31, 2011;

The Unaudited Pro Forma Consolidated Balance Sheet and Pro Forma Consolidated Statements of Earnings have been presented on the above basis to ensure that the Unaudited Pro Forma Financial Statements reflect the acquired business financial statements for a period that is no more than 93 days from Fiera Sceptre's period end, as required pursuant to pro forma presentation requirements contained in the Canadian securities legislation.

2. Assumptions and adjustments

The Pro Forma Consolidated Financial Statements have been prepared in accordance with Fiera Sceptre's accounting policies assuming the Transaction has been completed and adjustments had been effected on October 1, 2010 for the Unaudited Pro Forma Consolidated Statements of Earnings for the year ended September 30, 2011 and as at September 30, 2011 for the Unaudited Pro Forma Consolidated Balance Sheet. For purposes of the Pro Forma Consolidated Financial Statements, the effect of the Transaction costs and restructuring costs related to the employee severances were treated as expenses.

- aa) Natcan's excluded assets and liabilities which are not transferred to the Corporation are comprised of cash, the accounts receivable which have been invoiced, investments, trade payable, long-term liabilities and income tax accounts.
- a) Natcan shall transfer its business assets and certain liabilities to Fiera Sceptre, and, in consideration thereof, Fiera Sceptre shall, on closing, issue 19,711,569 Class A Subordinate Voting Shares for a minimum contractual assigned value of \$137,981,000 ⁽¹⁾ and pay \$97,019,000 ⁽²⁾ in cash and following closing, shall pay in cash or through the issuance of Class A Subordinate Voting Shares, and unless certain conditions are not met, Annual Payments amounting to \$59.5 million ⁽³⁾ and composed of annual payment of \$8.5 million over seven years and a one-time payment of \$15 million to be paid following the seventh year.

The Transaction will be accounted for as a business combination, accordingly, the assets and liabilities are recorded at their fair values at the acquisition date. Concurrently with this business combination, Fiera Sceptre will enter into an asset management contract with National Bank for a seven-year period and a three-year renewal option.

The following table reflects the preliminary purchase price allocation, which is subject to final valuation:

	\$ (in thousands)
Working capital	176
Deferred charges	355
Property and equipment	227
Intangible assets	132,300
Goodwill	163,018
Future income tax liabilities	(8,260)
	<u>287,816</u>
Purchase consideration	
19,711,569 Class A Subordinate Voting Shares ⁽¹⁾	137,981
Cash Consideration ⁽²⁾	97,195
Fair value of Annual Payments ⁽³⁾	
Classified as debt	37,034
Classified as equity	15,606
	<u>287,816</u>

2. Assumptions and adjustments (continued)

For the purpose of these Unaudited Pro Forma Consolidated Financial Statements, the purchase consideration has been allocated on a preliminary basis to the business assets acquired and liabilities assumed based on management's best estimates.

- (1) The total Transaction price will vary and will be calculated using the actual share price at the acquisition date. However, for purposes of these Pro Forma Consolidated Financial Statements, the share price was deemed worth a minimum of \$7.00.
- (2) The Cash Consideration of \$97,019,000 and purchase price were increased for Pro Forma purposes by an amount of \$176,000 which equals the amount by which Natcan's Target Net Working Capital of \$1.00 is exceeded as it will be reimbursed by the Corporation.
- (3) The Annual Payments to be paid over the seven years were discounted and recorded as part of the purchase price at their estimated fair value. The Pro Forma Consolidated Balance Sheet reflects the purchase price obligation related to the first and second year Annual Payments that shall be satisfied by the issuance of Class A Subordinate Voting Shares of Fiera Sceptre as equity.
- b) On February 23, 2012, National Bank committed to underwrite up to a \$108 million senior unsecured five-year term loan. For pro forma purposes, a loan of \$97,195,000 is contracted to finance the Cash Consideration to be paid by the Corporation to Natcan at the Closing Time. The related annual interest costs are estimated at \$3,160,000 and were calculated using banker's acceptance rate plus 1.75% (or 3.2%) over the long-term debt before income tax recovery of \$885,000 thereon. As well, financing costs related to the Annual Payments are estimated at \$3,125,000 before income tax recovery of \$655,000 thereon for an aggregate financing charge of \$6,285,000 before income tax recovery of \$1,540,000.
- c) Regarding employees not transferred to Fiera Sceptre by seller, the severances expenses estimated at \$4,000,000, before income tax recovery of \$1,120,000 thereon, will be reimbursed by Fiera Sceptre to seller. These non-recurring charges are considered restructuring expenses and applied in reduction of earnings.
- d) Transaction costs relating to the business combination estimated at \$4,000,000, before income tax recovery of \$1,120,000 thereon, have been expensed in the year of the transaction.
- e) Management of Fiera Sceptre has identified certain intangible assets acquired from Natcan, which have been accounted for separately from goodwill. These intangibles include asset management contracts with National Bank of Canada and its affiliates (which have a seven-year life and a three-year renewal period) valued at \$84,800,000 and customer relationships valued at \$47,500,000. The Natcan goodwill appearing on the audited balance sheet have been eliminated and replaced with the newly identified intangible assets described above and goodwill of \$163,017,582.

As a result of these definite life identifiable intangible assets, the Pro Forma Consolidated Statement of Earnings for the year ended September 30, 2011, have been adjusted to reflect the amortization of the asset management contract and customer relationships, amortized straight-line over 10 years and 20 years, for amounts of \$8,480,000 and \$2,375,000, respectively for an aggregate amount of \$10,855,000, and the income tax expense has been adjusted for an amount of \$3,039,000.

2. Assumptions and adjustments (continued)

f) The net earnings per share have been based on the following:

	Year ended September 30, 2011
	<hr/>
Weighted average number of Fiera Sceptre shares outstanding	36,531,305
Assumed number of shares issued by Fiera Sceptre (Note 2a)	19,711,569
Pro Forma weighted average shares outstanding – basic	<hr/> 56,242,874
Effect of dilutive stock options	441,516
Pro Forma weighted average shares outstanding – diluted	<hr/> 56,684,390 <hr/>
	Pro-forma Year ended September 30, 2011
	<hr/> \$
Net earnings	4,737,606
Basic net earnings per share	0.08
Diluted net earnings per share	0.08

APPENDIX “H”

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Fiera Sceptre’s Corporate Governance Practices

The Canadian Securities Administrators (the “CSA”) adopted National Instrument 52-110 — *Audit Committees* (“NI 52-110”). NI 52-110 sets forth certain requirements regarding audit committee composition and responsibilities, as well as reporting obligations with respect to audit-related matters.

The CSA also adopted National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (“NI 58-101”) and National Policy 58-201 — *Effective Corporate Governance* (“NP 58-201” and, together with NI 52-110 and NI 58-101, collectively the “CSA Corporate Governance Standards”). NP 58-201 provides guidance to Canadian issuers with respect to corporate governance practices, while NI 58-101 requires issuers to make certain disclosures regarding their governance practices. The CSA Corporate Governance Standards, particularly NI 58-101 and NP 58-201 are the primary source of codified recommendations in respect of corporate governance practices in Canada.

In accordance with NI 58-101, we are required to disclose information with respect to our system of corporate governance.

We are of the view that adopting and implementing good corporate governance practices is a cornerstone of our corporate and management practices and policies and that our existing corporate governance practices already meet the prevailing corporate governance standards. We further believe that the measures we have adopted with respect to corporate governance comply substantially with the CSA Corporate Governance Standards.

We encourage our Shareholders to consult our Code of Conduct available on SEDAR at www.sedar.com and also available in print to any Shareholder who requests copies by contacting our Corporate Secretary.

CSA Guidelines

Fiera Sceptre's Corporate Governance Practices

1. Board of Directors

- | | |
|---|--|
| (a) Disclose the identity of directors who are independent. | Of the current nine (9) members of our Board of Directors, six (6) are independent within the meaning of NI 58-101, namely David R. Shaw, Arthur R.A Scace, W. Ross Walker, Christiane Bergevin, Denis Berthiaume and Jean C. Monty. |
| (b) Disclose the identity of directors who are not independent, and describe the basis for that determination. | Each of Jean-Guy Desjardin, Sylvain Brosseau and Neil Nisker does not qualify as independent within the meaning of NI 58-101, as each is a member of management of Fiera Sceptre. |
| (c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors does to facilitate its exercise of independent judgment in carrying out its responsibilities. | See above. Six (6) of our nine (9) current directors are independent. The proposed nominees for election to our Board of Directors are all the same individuals as our current directors. |
| (d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer. | <p>David R. Shaw is a member of the board of directors of Brick Brewing Co. Limited.</p> <p>Arthur R.A Scace is a member of the board of directors of Westjet Airlines Limited.</p> <p>Christiane Bergevin is a member of the board of directors of Talisman Energy Inc.</p> <p>Jean C. Monty is a member of the board of directors of Alcatel Lucent SA and Bombardier Inc.</p> |
| (e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors. | Since September 1, 2010, a session has been held outside the presence of management and all non-independent directors at every Board of Directors meeting. During the financial year ended September 30, 2011, five (5) such sessions were held. |
| (f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors. | Jean-Guy Desjardins is Chairman of the Board of Directors and is not independent within the meaning of NI 58-101 as he is also a member of management of Fiera Sceptre. However, the Board of Directors appointed David R. Shaw, an independent director, as lead director. The role of the lead director is to facilitate board operations independently of management and to maintain and improve the quality of governance. Among other things, he acts as arbitrator for matters of internal policies and coordinates with the Chairman of the Board the information to be provided to the independent directors and ensures that such information is reliable, and chairs |

CSA Guidelines

Fiera Sceptre's Corporate Governance Practices

- (g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

Director	Board meetings attended	Committee meetings attended	Total Board and Committee meetings attended
Arthur R. A. Scace	5 of 7	N/A	71%
David R. Shaw	6 of 7	2 of 2	88%
W. Ross Walker	7 of 7	8 of 8	100%
Christiane Bergevin	6 of 7	4 of 4	91%
Denis Berthiaume	3 of 5	4 of 4	78%
Sylvain Brosseau	7 of 7	N/A	100%
Jean-Guy Desjardins	7 of 7	N/A	100%
Jean C. Monty	5 of 7	13 of 14	86%
Neil Nisker	7 of 7	2 of 2	100%

the meetings of independent directors.

The table below indicates the directors' record of attendance at meetings of the Board of Directors and its committees during the financial year ended September 30, 2011.

2. Board Mandate – Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

A copy of the charter of the Board of Directors is attached as Schedule B to this Circular.

3. Position Descriptions

- (a) Disclose whether or not the board has developed written position descriptions for the chair of the board and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.

The Board of Directors has not approved a written position description for the Chairman of the Board, and the Chair of each of the Audit Committee, Governance Committee and HR Committee.

The Chair of each of the Audit Committee, Governance Committee and HR Committee ensures that the mandate of its respective committee is fulfilled.

- (b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.

No written position description has been developed for the CEO. The CEO, along with the rest of management placed under his supervision, is responsible for meeting the corporate objectives as determined by the strategic objectives and budget as they are adopted each year by the Board of Directors.

4. Orientation and Continuing Education

- (a) Briefly describe what measures the board takes to orient new directors regarding

The Board of Directors is in the process of revisiting an orientation and training program for new board members. Among other things, new directors will be provided with an extensive information package containing: (i) information about Fiera Sceptre; (ii) a copy of our articles and by-laws; (iii) information on insurance coverage; and (iv) various policies/plans governing the Board of Directors and/or senior executives.

- (i) the role of the board, its committees and its directors, and

- (ii) the nature and operation of the issuer's

business.

- (b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skills and knowledge necessary to meet their obligations as directors.

Strategic planning sessions, using external consultants and advisors, and including management, are conducted on an as needed basis. The Board also has presentations and seminars with external consultants, advisors, and members of the management team, on particular topics on an as needed basis.

5. Ethical Business Conduct

- (a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:

We adopted a Code of Conduct which was last amended in January 2011.

- (i) disclose how a person or company may obtain a copy of the code;
- (ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and
- (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

The Code of Conduct is accessible on SEDAR at www.sedar.com. A paper copy is also available upon request from our Corporate Secretary.

The Audit Committee is responsible for monitoring compliance with our Code of Conduct.

No material change report has been required or filed during our financial year ended September 30, 2011 with respect to any conduct constituting a departure from our Code of Conduct.

- (b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.

The Governance Committee reviews and approves all related party transactions for potential conflict of interest situations on an ongoing basis.

- (c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

Our Code of Conduct as well as the statements made in the charters of the Board and committees encourage and promote a culture of ethical business conduct. Compliance of the Board with such measures and principles also promotes a culture of ethical business conduct throughout the Corporation.

6. Nomination of Directors

- (a) Describe the process by which the board identifies new candidates for board nomination.

The Governance Committee is responsible for administering a nomination process and criteria for selecting directors by regularly assessing the qualifications, personal qualities, business background and diversified experience of the Board of Directors. The Governance Committee identifies candidates for election to the Board in consultation with management, through the use of outside advisers, or through such other methods as

CSA Guidelines

Fiera Sceptre's Corporate Governance Practices

- (b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

- (c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

7. Compensation

- (a) Describe the process by which the board determines the compensation for the issuer's directors and officers.

- (b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

- (c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

- (d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize

the Governance Committee deems to be helpful to identify candidates for the filling of vacancies on the Board of Directors. The Governance Committee will also consider candidates for election to the Board recommended by shareholders.

The Governance Committee is currently composed of four (4) directors, namely David R. Shaw (Chair), W. Ross Walker, Jean C. Monty and Neil Nisker, three (3) of whom are independent, namely David R. Shaw, W. Ross Walker and Jean C. Monty.

Under the Charter of the Governance Committee, the Governance Committee is responsible for identifying from time to time qualified candidates for the filling of vacancies on the Board of Directors and recommending to the Board of Directors the new directors nominees. In addition to the responsibilities and powers described hereinabove, the Governance Committee is also responsible for assisting the Board of Directors in developing and monitoring Fiera Sceptre's corporate governance practices.

The HR Committee reviews the amount and the form of compensation of directors and officers. The process is more fully described in this Circular under "Statement of Executive Compensation."

The HR Committee is currently composed of three (3) independent directors, namely Jean C. Monty (Chair), Denis Berthiaume and David R. Shaw.

The Charter of the HR Committee provides that the committee is responsible for assisting the Board its oversight responsibilities, including: (a) appointing, compensating and evaluating executive officers; (b) approving succession plans for executive officers and the Chief Executive Officer; (c) approving the Corporation's human resources policies for executive officers and reporting to the Board; and (d) overseeing the management of the Corporation's compensation and benefits plan.

During the summer of 2011, a specific survey was conducted by Mercer to benchmark the bonus criteria used in our reference market for the positions of CEO and Chief Investment Officer and President and Chief Operating Officer ("COO"). No changes were made as a result of Mercer's survey results since it only confirmed that our

CSA Guidelines

Fiera Sceptre's Corporate Governance Practices

the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.

8. Other Board Committees – If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.
9. Assessments – Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

current practices are in line with industry practices.

There are no other standing committees.

The Governance Committee provides that the committee is responsible for assessing the effectiveness of directors, the Board of Directors and the various committees of the Board of Directors to perform the assessment of the Board and Committees and their respective members individually.

The Governance Committee is responsible for monitoring and making recommendations regarding the effectiveness of our system of corporate governance, including the frequency and content of meetings, the need for any special meetings, communication processes between the Board of Directors and management and mandates of committees of the Board of Directors.

APPENDIX “I”



FIERASCEPTRE

(the “Corporation”)

BOARD OF DIRECTORS CHARTER

1. **MANDATE OF THE BOARD OF DIRECTORS**

The Board of Directors (the “Board”) is responsible for supervising the management of the Corporation including overseeing the conduct of the business and affairs of the Corporation. The Board is not responsible for the day to day management and operation of the Corporation’s business. The Board’s power and authority is subject to the provisions of the *Business Corporations Act* (Ontario) (the “Act”).

2. **COMPOSITION OF THE BOARD**

Subject to the Articles of the Corporation and the Act, the shareholders shall annually elect members of the Board for a one-year term. The composition of the Board will comply with the following:

- (a) The Board shall be composed of nine (9) members;
- (b) The majority of the Board must be independent according to applicable laws, rules and regulations, including, if any, those of applicable stock exchanges.
- (c) New members may be appointed by the board between annual meetings to fill a vacancy in accordance with applicable laws, rules and regulations.

3. **CHAIR AND LEAD DIRECTOR**

The Board will annually appoint the Chair of the Board of Directors (“Chair”) amongst the members of the Board. In the Chair’s absence or in case of position vacancy, the Committee may select another member of the Board as Chair. The Chair may exercise all powers of the Board in between meetings. Nevertheless, the Chair will reasonably involve the other directors prior to exercising any power and advise them of the decisions ensuing the exercised powers.

If the President and Chief Executive Officer of the Corporation is also the Chair, a Lead Director shall be appointed amongst the Board’s independent members.

4. CRITERIA FOR BOARD MEMBERSHIP

Board members are expected to possess the following characteristics and traits:

- (a) demonstrate high ethical standards and integrity in their personal and professional dealings;
- (b) act honestly and in good faith with a view to the best interest of the Corporation;
- (c) devote sufficient time to the affairs of the Corporation and exercise care, diligence and skill in fulfilling their responsibilities as Board members and as committee members;
- (d) provide independent judgment on a broad range of issues;
- (e) understand and challenge the key business plans and the strategic direction of the Corporation;
- (f) raise questions and issues to facilitate active and effective participation in the deliberation of the Board and of each committee;
- (g) make all reasonable efforts to attend all Board and committee meetings; and
- (h) review the materials provided by management in advance of the Board and committee meetings.

5. COMMITTEES OF THE BOARD

The Board may establish committees and delegate specific areas of the Board's responsibilities to the committees. The Board has currently established three committees: the Audit Committee, the Governance Committee and the Human Resources Committee. Each committee has its own charter. The committees may hold *in-camera* session without management present. In order to perform its duties, each committee shall have access to relevant book and records of the Corporation and be able to discuss such matters arising with management of the Corporation.

6. DUTIES AND RESPONSIBILITIES

In addition to any responsibilities provided by law, the Board has the following responsibilities:

Strategic plan

- (a) reviewing and approving management's strategic and business plans on an annual basis, including developing an in-depth knowledge of the business being served, understanding and questioning the plans' assumptions, and reaching an independent judgment as to the probability that the plans can be realized;
- (b) monitoring corporate performance against the strategic business plans, including overseeing operating results on a regular basis to evaluate whether the business is being properly managed;

Financial information

- (c) Ensure the integrity of the Corporation's financial statements and the Corporation's mutual funds and related information;
- (d) Review and approve the Corporation's audited annual financial statements and the Corporation's mutual funds, external auditors' report, related Management Discussion and Analysis and Press release;

- (e) Review and approve the Corporation unaudited quarterly financial statements and the audited annual financial statements and the Corporation's mutual funds, related Management Discussion and Analysis and press release;

The Board may, at its sole discretion, delegate to the Audit Committee the approval of the quarterly financial statements, related MD&A and press release, provided that such approval is subsequently reported to the Board at its next meeting;

- (f) Ensure that the financial information is compliant with applicable accounting principles, laws, regulations and policies;
- (g) Oversee the qualification, independence, appointment and performance of internal and external auditors, including approving the terms of their audit and non-audit engagements and assess their performance;
- (h) Monitor financial and disclosure controls and procedures and internal accounting systems;
- (i) Identify the principal risks of the Corporation's business and ensure the implementation of appropriate systems to manage such risks and review reports by management relating to any deficiencies in these systems;
- (j) Review and approve the declaration of any dividends;
- (k) Review and approve the raising of funds and different investment opportunities;
- (l) Review and approve any prospectus, Annual Information Form, Management Information Circular and Annual Report;
- (m) Ensure compliance with applicable legal and regulatory requirements;

Corporate governance

- (n) Review and approve the Board's role with respect to the management of the Corporation;
- (o) Review and approve the corporate governance policy and all other corporate policies and guidelines of the Corporation;
- (p) Assess the Board's size and composition, and fix the committees composition;
- (q) Review and fix Board and committee service compensation;
- (r) Assess the effectiveness of the process to evaluate the Board, the Board's Chair, the committees, chairs of committees and directors individually;
- (s) Review and adopt the Corporation's policies pertaining to the business conduct, ethics, public disclosure of material information and all other matters associated with an efficient corporate governance system and monitor compliance with such documents;
- (t) Ensuring that appropriate structures and procedures are in place so that the Board and its committees can function independently of management;
- (u) Oversee general compliance with any applicable rule, regulation or guideline by regulatory authorities relating to corporate governance;

Human resources

- (v) Select qualified candidates to be elected as directors by the shareholders of the Corporation and review criteria and necessary qualifications for Board's member selection, including independence requirements;
- (w) Appoint the Chief Executive Officer and other executive officers, monitor their integrity, performance and approve their compensation;
- (x) Appoint and approve compensation and evaluation of the senior officers;
- (y) Review and discuss the management succession plans;
- (z) Approve the Corporation's human resources policies for senior officers and reporting to the Board;
- (aa) Approve the compensation for members of the Board, for the participation of members of any Committee or for the carrying out of the duties of a Chair of a Committee;
- (bb) Develop appropriate programs for orienting new directors and continuing education for all directors;

Communication

- (cc) Review, approve and, if required, oversee a disclosure policy which includes standards for communicating with shareholders and analysts, and approval of all material disclosures;

Committees

- (dd) Review reports from the chairs of committees on the matters dealt with by the committees;
- (ee) Review and approve, on an annual basis, each committees' charter with each committee.

7. OUTSIDE EXPERTS AND ADVISORS

The Board has the authority to retain or appoint any outside advisor or expert when deemed necessary to carry out its duties. The Corporation shall provide appropriate funding for such advisors or experts.

8. ACCESS TO EXECUTIVE OFFICERS AND EMPLOYEES

In discharging its duties and responsibilities in connection with any meeting of the Board or of any committee, the Board shall have access to the employees and executive officers of the Corporation or its affiliate and may invite officers, directors or any other person to attend meetings of the Board to assist in the discussion and examination of the matters being considered by the Board.

9. MEETINGS

The Board will meet at least quarterly, with additional meetings scheduled at the request of the Chair. Notice for such meetings shall be sent to the directors, the Chief executive officer and the Chair.

On the occasion of each Board meeting, non-management directors will consider if an "in-camera" meeting, under the chairmanship of the Lead Director, would be appropriate. The Lead Director chairing such "in-camera" meetings will forward to the Chair and to the President and Chief Executive Officer any questions, comments or suggestions of the directors.

Information and materials that are important to the Board's understanding of the agenda items and related topics will be distributed in advance of a meeting. The Corporation will deliver information on the business, operations and finances of the Corporation to the Board on an as-required basis.

10. QUORUM

A majority of members of the Board present in person, by teleconference or by videoconference will constitute a quorum.

11. SECRETARY AND MINUTES

The Secretary of the Corporation, or any other person appointed by the Chair, will act as Secretary to the Board. Minutes of the Board will be entered into the books of the Corporation. Such minutes shall be circulated to all members of the Board.



FIERASCEPTRE