



# IAMGOLD Executive Compensation

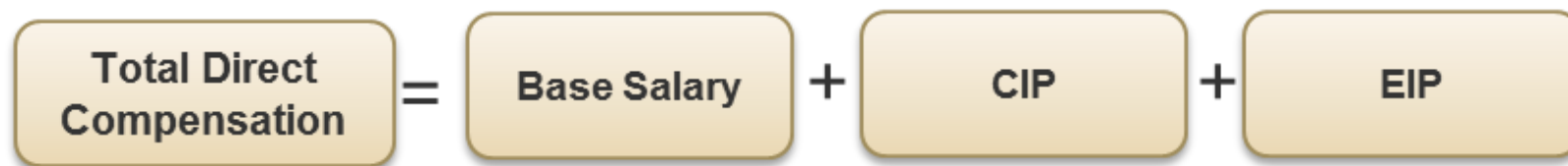
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January 2018

## **The Corporation's executive compensation system is designed to:**

- Attract, retain, motivate and reward high-caliber executive talent
- Link the compensation model directly to specific and measurable goals set annually:
  - Corporate
  - Operational
  - Health, safety & sustainability
  - Individual performance objectives
- Motivate high-performers to achieve exceptional levels of performance through rewards
- Encourage executives to own shares of the Corporation to more fully align the interests of management with those of our shareholders

# Components of Executive Compensation



**Base Salary:** Base salary levels for executive officers reflect: (i) the scope, complexity and responsibility of the role of the executive; (ii) the executive's previous experience and performance; and (iii) the executive's performance rating.

## **Cash Incentive Plan ("CIP"):**

Cash awards are based on four performance factors: 1) Operating; 2) Corporate; 3) Health, Safety and Sustainability (HS&S), and 4) Individual performance. The specific goals are set with a focus on what will drive long term value creation.

## **Equity Incentive Plan ("EIP"):**

EIP grants are awarded annually based on the performance of the executive and the Corporation using the performance criteria used for CIP awards for the preceding three fiscal years. EIP grants are targeted and generally fall in the range of 0% to 300% of any CIP award. EIP grants may take the form of options and/or restricted share units (RSUs); with an approximate mix of 50% options and 50% RSUs.

# Approach to Determining Incentive Compensation

- The CIP award is based on the following:



- Each year the targets are set based on the five-year strategic plan and annual budget and reflect the Board’s view as to drivers of value. In 2017 the metrics for corporate performance were: Free Cash Flow and 1 and 3 year TSR relative to Global Gold Index, for operations performance: Production, AISC, Reserve Replacement and Additional Resources. Health Safety and Environmental targets are also set.

Corporate	Operating	HSS
Free Cash Flow (50%) Relative Total Shareholder Return (TSR) (50%) 1 year (25%) 3 year (25%)	Production (35%) All-In Sustaining Cost (AISC) (35%) Reserve Replacement (15%) Additional Resources - Strategic Initiatives (15%)	Health & Safety (50%) Sustainability (50%) x HSS Multiplier

- Personal goals are used in a personal multiplier and are Leadership (25%), Game changing objectives (25%), G&A (25%), and other Individual performance objectives (25%) specific to each executive. The assessment is not formulaic and CEO judgment is applied.

## **Risk management measures are embedded in our compensation programs:**

- Direct link to pre-determined quantitative performance metrics
- Clawback and no hedging policies
- Share ownership guidelines
- Maximum cap on awards

## **Additional features include:**

- We employ appropriate discretion instead of arbitrary formulas to avoid unfair results
- We use November to November VWAP as opposed to one day close
- Instead of using Black-Sholes as the only tool in valuations, we use a more holistic approach that includes common sense to avoid unintended unjustified rewards or penalties
- Equity awards are not guaranteed and are not tied directly to base salary. All equity awards are based on performance as viewed over a three year period

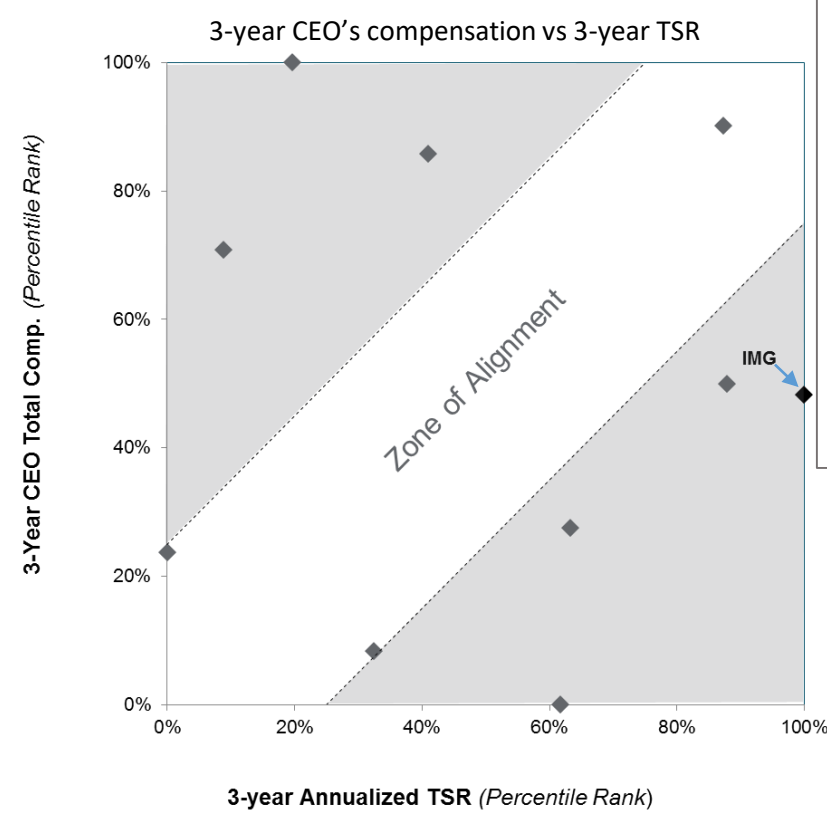
## **IAMGOLD has performed well during adverse market conditions in last few years:**

- Significant improvement in balance sheet
- Improvement in efficiency and cost
- Development of a strong project pipeline
- Upgraded quantity and quality of reserves and resources
- Right-sized management team and board

## **Board and management have remained cautious on compensation:**

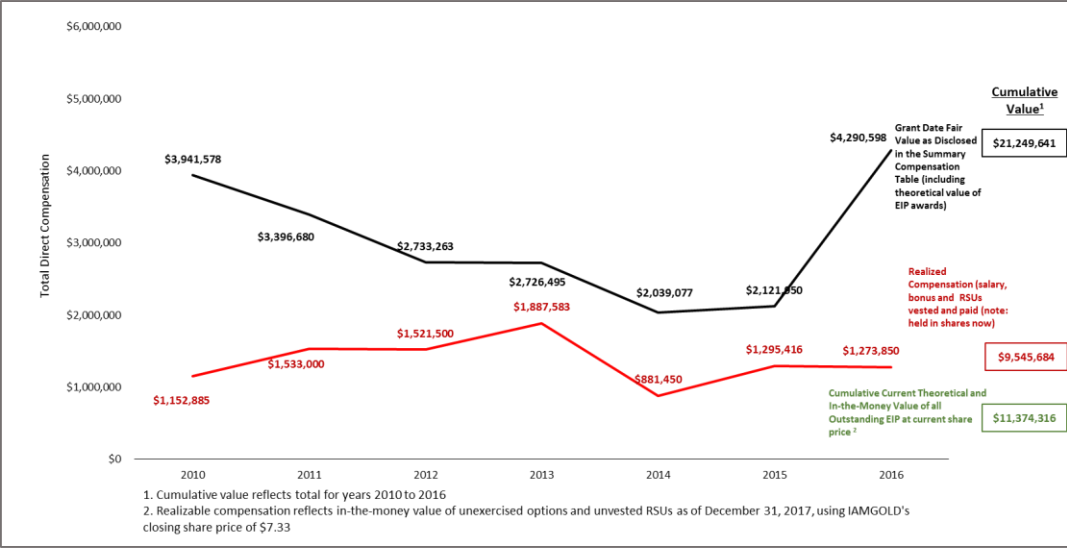
- No base salary increases for NEO's for 2013-16
- CEO took no cash bonus for 2014-16
- Average at-risk compensation for NEO's is 70% of total comp
- CEO has not sold equity. Now owns 10.7 times base salary in shares
- CEO and NEO compensation has varied with shareholder experience
- Corporation performance guides both cash and equity incentive programs
- NEO compensation compared regularly to peers

# How Compensation has been Linked to Performance

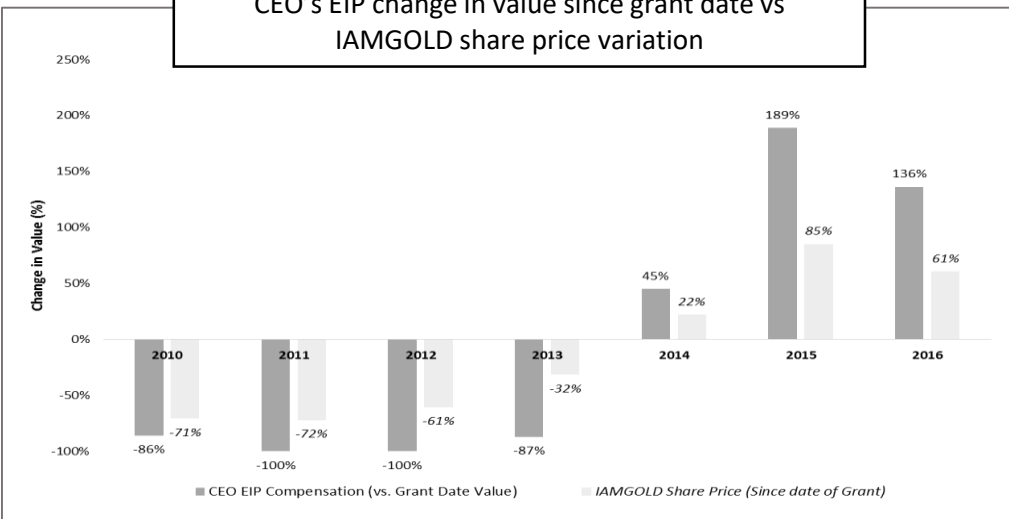


\*Data reflects 2015 values as disclosed on the 2015 SCT, and 2016 LTI information where available. Alamos Gold has been excluded from this analysis as the combined Alamos Gold and AuRico Gold company (TSX:AGI) has not been publicly traded for 3 years.

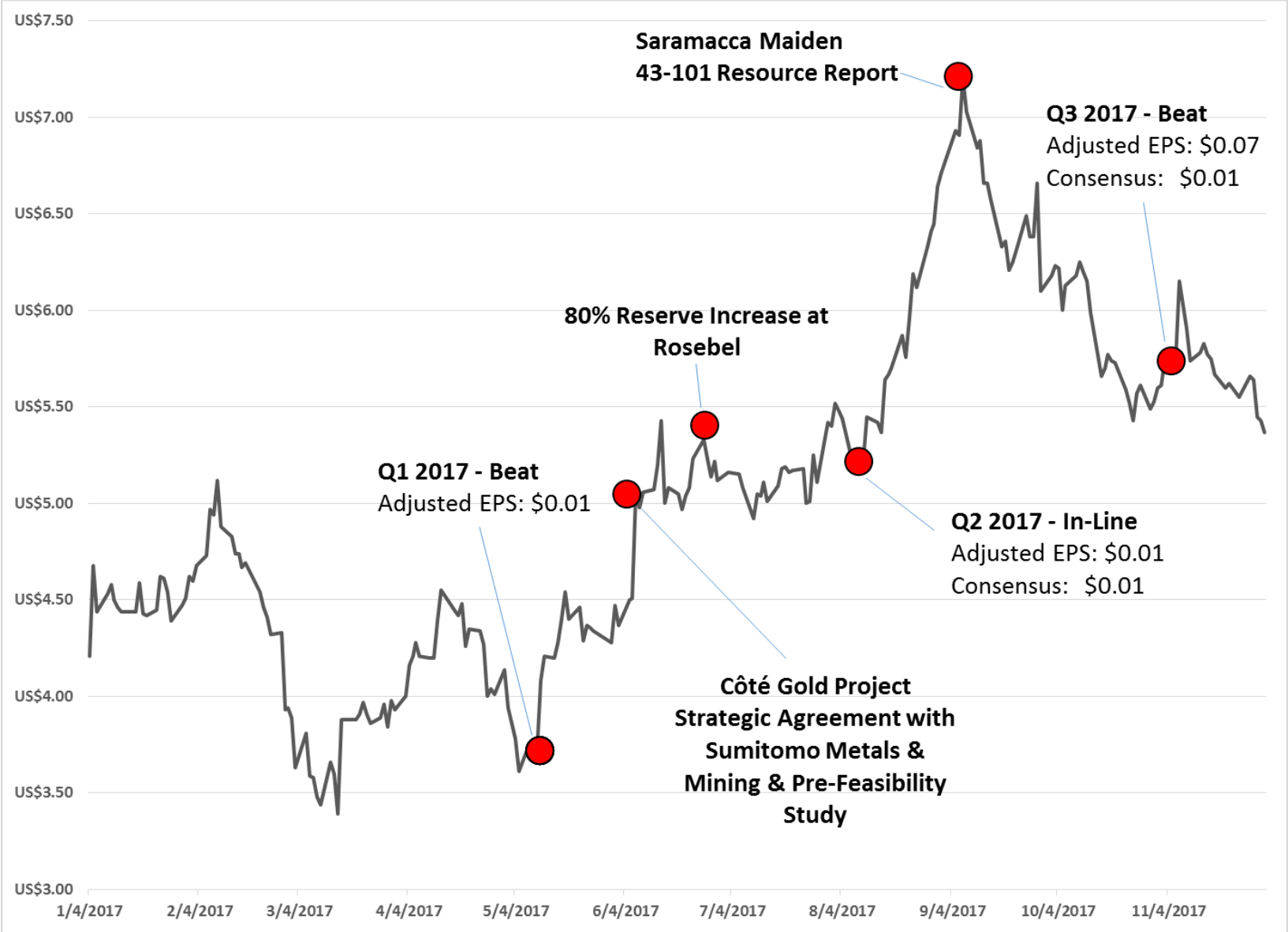
CEO's Compensation: Grant Date, Realized and Realizable Values



CEO's EIP change in value since grant date vs IAMGOLD share price variation



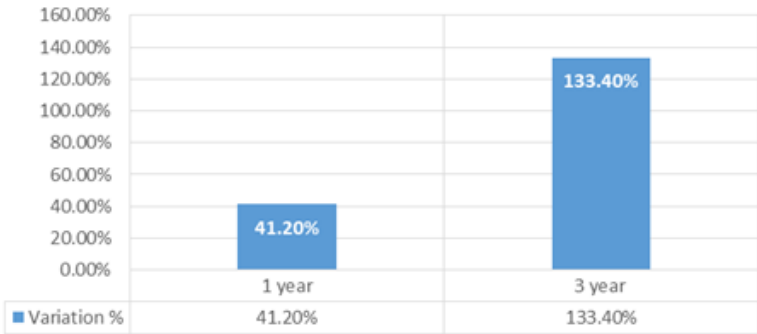
# IAMGOLD Share Price and 2017 Key Performance Milestones





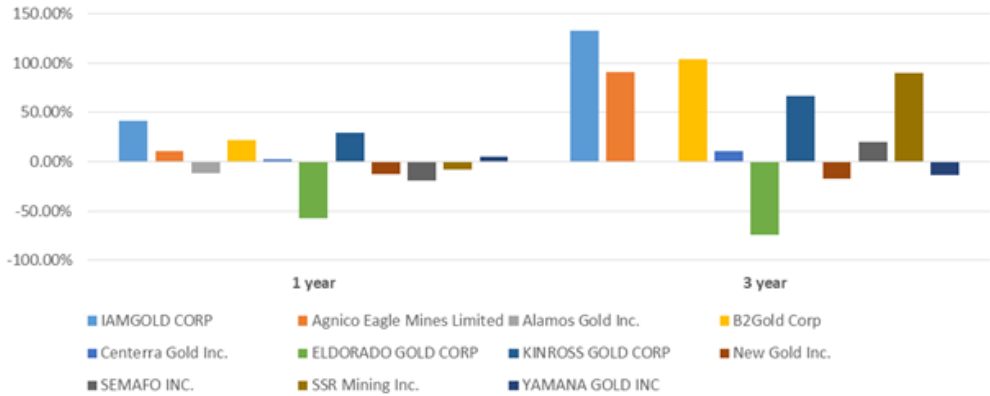
# IAMGOLD's Key Performance Achievements

TSR Variation % - 1 & 3 years

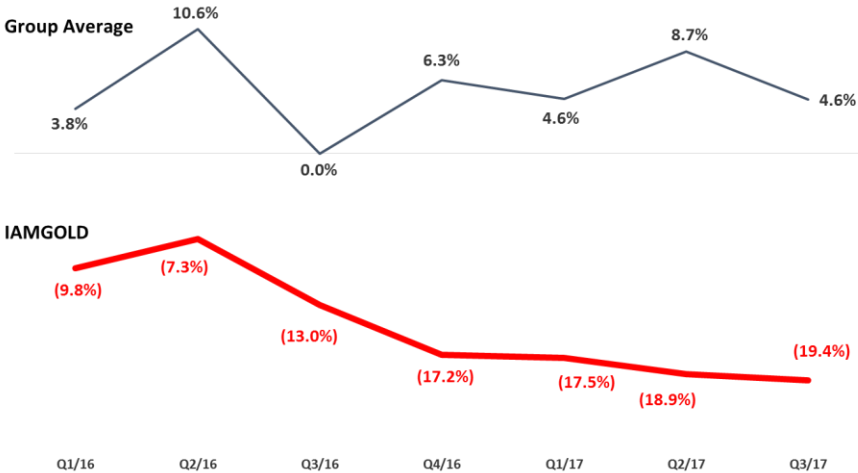


Source: Equilar  
Note: December 31st of each year

TSR Variation %  
IMG vs. Peer Group



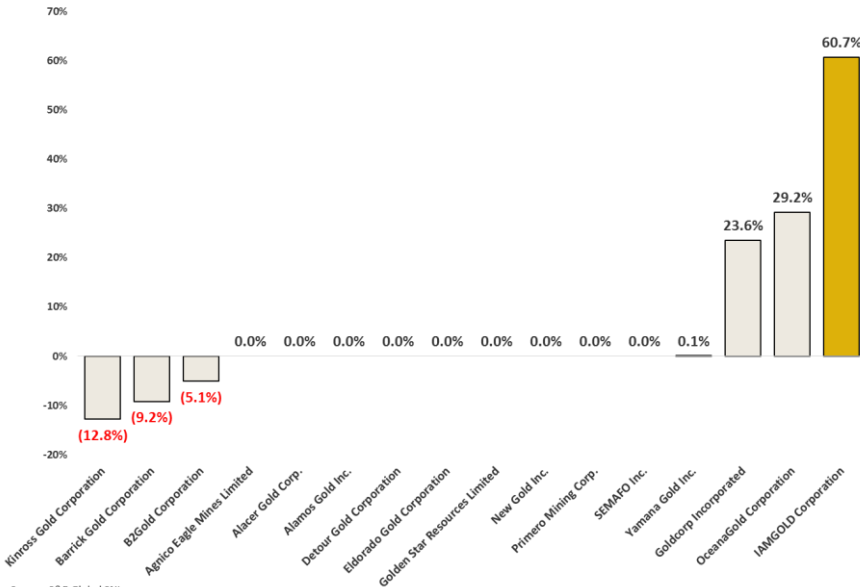
Change in AISCs Since from 2015



Group consists of Agnico Eagle Mines Limited, Alacer Gold Corp., Alamos Gold Inc., B2Gold Corporation, Barrick Gold Corporation, Detour Gold Corporation, Eldorado Gold Corporation, Goldcorp Incorporated, Golden Star Resources Limited, Kinross Gold Corporation, New Gold Inc., OceanaGold Corporation, Primero Mining Corp., SEMAFO Inc. and Yamana Gold Inc.

Source: S&P Global SNL

Percentage Change in In Situ Reserves Since Q4 2015



Source: S&P Global SNL