Corporate Governance Practices Statement

May 12, 2014

IGM Financial Inc. (the “Corporation”) believes in the importance of good corporate governance and the central role played by directors in the governance process. The Corporation believes that sound corporate governance is essential to the well being of the Corporation and its shareholders.

The Corporation is a financial services company. The Corporation’s two major operating units are Investors Group Inc. (“Investors Group”) and Mackenzie Financial Corporation. As of February 28, 2014 Power Financial Corporation (“Power Financial”) holds in the aggregate, directly or indirectly (excluding 221,098 Common Shares held by Great-West in its segregated funds or for similar purposes), 62.3% of the outstanding Common Shares of the Corporation. Corporate governance practices are integrated between the Corporation, Investors Group and Mackenzie Inc. Each of the Corporation, Investors Group and Mackenzie Inc. have adopted essentially the same Board and Committee mandates and other governance structures, processes and practices as the Corporation, and the Board of the Corporation monitors whether the mandates and other governance structures, processes and practices have been implemented and/or followed by these subsidiaries.

In 2005 the Canadian Securities Administrators (the “CSA”) adopted National Policy 58-201 – Corporate Governance Guidelines (the “Policy”) which sets forth a number of suggested guidelines on corporate governance practices (the “CSA Guidelines”). Under the Policy, issuers are encouraged to consider the CSA Guidelines in developing their own corporate governance practices.

In the Board’s view no single corporate governance model is superior or appropriate in all cases. The Board believes that the Corporation’s governance system is effective and is appropriate to its circumstances, and that there are in place effective structures and procedures to ensure the Boards’ independence from management and to ensure that conflicts of interest between the Corporation and any of its related parties, including Power Financial, are dealt with appropriately. Furthermore, any review of governance practices should include consideration of long-term returns to shareholders, as the Board believes this to be an important indicator of the effectiveness of a governance system.

Board of Directors

The mandate of the Board, which it discharges directly or through one of the seven Board Committees, is to supervise the management of the business and affairs of the Corporation, and includes responsibility for strategic planning, review of operations, including risk management, corporate policies including disclosure and communication policies, oversight of financial reporting and other internal controls, oversight of pension plans, corporate governance, director orientation and education, senior management compensation and oversight and director compensation and assessment.

The primary mandate of the Executive Committee is, on an ongoing basis, to approve strategic goals and objectives for the Corporation, to review and approve, and to monitor the implementation of, the Corporation's annual business, financial and capital plans, to approve corporate policies including communication and disclosure policies, to ensure appropriate procedures are in place to identify and manage the principal risks associated with the Corporation's business and operations, to establish risk tolerances and to monitor the implementation and maintenance of risk management policies, procedures and controls, and to supervise the management of the business and affairs of the Corporation when the Board is not in session. The Executive Committee is also responsible for monitoring the implementation of the Corporation's policy and strategy with respect to corporate social responsibility.

The primary mandate of the Audit Committee is to review the financial statements of the Corporation and certain public disclosure documents containing financial information and to report on such review to the Board, to be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure documents that contain financial information, to oversee the work and review the independence of the external auditors, to oversee the work of the internal auditor, to review, evaluate and approve the internal controls that are implemented and maintained by management and to review compliance with applicable laws.

The primary mandate of the Compensation Committee is to review and approve compensation policies and guidelines for employees of the Corporation, to review and approve compensation arrangements for senior officers of the Corporation, to approve grants under equity compensation plans for all employees, to review and recommend to the Board compensation arrangements for the Co-Presidents and Chief Executive Officers ("Co-Presidents"), to recommend to the Board compensation arrangements for the directors, the Chairman of the Board of Directors and Chairmen of the Committees, to recommend to the Board incentive compensation plans, equity compensation plans, supplemental pension plans and other compensation plans for employees as it deems appropriate and to review succession plans for senior management. The Compensation Committee is also responsible for overseeing all aspects of the Corporation's role as plan sponsor of the Corporation's registered pension plans. The Compensation Committee is responsible for the risk oversight of the Corporation's compensation policies and practices.

The primary mandate of the Governance and Nominating Committee is to oversee the Corporation's approach to corporate governance and to recommend to the Board corporate governance practices consistent with the Corporation's commitment to high standards of corporate governance, to assess the effectiveness of the Board of Directors, of Committees of the Board and of the directors and to recommend to the Board candidates for election as directors and for appointment to Board Committees.

The primary mandate of the Related Party and Conduct Review Committee is to require management to establish satisfactory procedures for the consideration and approval of transactions with related parties and to review and, if deemed appropriate to approve, such related party transactions and to recommend to the Board a code of business conduct and ethics that addresses, among other things, conflicts of interest, the protection and use of corporate assets and confidentiality.

Both the Corporation and Investors Group have an Investment Committee whose primary mandate is to review the investment of their proprietary assets and to monitor adherence to the investment policies, procedures and guidelines that have been approved by the Boards. These Investment Committees are also responsible for ensuring that appropriate procedures are in place to identify and manage the financial risks associated with the Corporation's business and operations and to monitor the implementation and maintenance by management of policies, procedures and controls to manage these financial risks.

The primary mandate of the Community Affairs Committee is to review and assess the Corporation's policies, programs and procedures concerning charitable contributions and special projects in response to community needs.

a) Independence of Directors

The CSA Guidelines, National Instrument 52-110 and National Instrument 58-101 (the "Instruments") provide that a director is "independent" of an issuer if he or she has no direct or indirect relationship with the issuer which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of the director's independent judgment. The Corporation's Board of Directors agrees with this approach to assessing director independence.

However, the Instruments go on to provide that a director is deemed to have such a direct or indirect relationship with an issuer (and thus not to be independent) if, among other things, the director is, or has been within the last three years, an executive officer or an employee of the issuer's parent corporation. In the view of the Board, the determination of director independence should be based upon whether or not the director is independent of the Corporation's management, and whether or not the director has any other relationships with the Corporation which could reasonably be expected to interfere with the exercise of the director's independent judgment. In the Board's view, that is a question of fact that should be determined by the issuer's board of directors on a case-by-case basis, without reference to any presumption such as that which is currently contained in the Instruments.

The most important function of a board of directors is to oversee management in the drive to achieve long-term shareholder returns. A financially strong and long-term oriented controlling shareholder can have a significant positive impact on a corporation's long-term returns, benefiting all shareholders and the Corporation as a whole. The benefits can include the ability to encourage and support management in the pursuit of long-term strategies and the provision of directors who are experienced and knowledgeable about the business of the Corporation. In the case of the Corporation, many of these attributes are provided through a governance model which has been developed over many years, and which includes a group of directors who are also officers of the controlling shareholder. The full-time job of a number of these directors is to focus on and become knowledgeable about the affairs of the controlling shareholder's subsidiaries, such as the Corporation. They have no other relationship with the Corporation other than as directors and shareholders.

The effect of the 'deeming provision' regarding director independence, if followed, would be to deny the Corporation and all of its shareholders the benefit of this governance model and to prevent the controlling shareholder from participating fully in the oversight function of the Corporation.

Any concerns which may exist in a controlled company situation about conflicts of interest or self-dealing should, in the view of the Board of Directors, be resolved directly through a committee of directors who are independent of the controlling shareholder. The governance model at the Corporation includes such a committee, the Related Party and Conduct Review Committee, which is discussed below in the section entitled “Resolution of Conflicts”.

The CSA has acknowledged the concerns expressed by some reporting issuers, including the Corporation, as to whether the CSA’s view of director independence is appropriate to companies such as the Corporation which have a majority shareholder. On December 19, 2008, the CSA published for comment revised versions of the Policy and the Instruments, which include, among other things, the replacement of the current prescriptive approach to independence with a more principle-based approach. Although the Board of Directors was encouraged by the new direction proposed by the CSA, the CSA has decided not to proceed with its proposed revisions as published at this time. The CSA has indicated that it is still considering potential changes to the corporate governance regime. The Corporation encourages the CSA to continue its review of the “independence” definition as it relates to majority shareholders and to proceed with appropriate revisions at an early opportunity.

b) Resolution of Conflicts

It is the duty of the Board to supervise the management of the business and affairs of the Corporation for the benefit of all shareholders. In discharging this duty, the Board identifies and resolves conflicts that might arise between the interests of the Corporation and the interests of Power Financial and its affiliates. The Corporation has established a Related Party and Conduct Review Committee composed entirely of directors who are independent of management and who are neither officers, employees nor directors of Power Financial or any of its affiliates (except for those members of the Committee who are directors of the Corporation and its subsidiaries). The Corporation’s Related Party and Conduct Review Committee reviews transactions with “related parties” of the Corporation and approves only those transactions that it deems appropriate.

c) Election of Directors

Each director elected shall hold office until the close of the next Annual Meeting of Shareholders, unless he or she shall resign or his or her office becomes vacant for any reason. The Corporation does not have a mandatory retirement policy for directors. Shareholders have the ability to vote for or withhold from voting for each individual director proposed for election to the Board of Directors of the Corporation.

The Corporation has not adopted a “majority voting policy” with respect to uncontested director elections. A “majority voting policy” generally requires a director who receives more withheld votes than votes for the director to tender his or her resignation. The Corporation has not adopted such a policy as it has a majority shareholder that will necessarily cast the majority of the votes on the election of the Corporation’s directors. In the Board’s view, a “majority voting policy” would accordingly serve no real purpose for the Corporation, and could in fact be misleading to shareholders since such a policy would have no meaningful effect on the election of the Corporation’s directors.

The Corporation’s practices for nominating and electing directors is further described below under “Nomination and Assessment of Directors”, and is informed by the governance principles and practices described in the balance of this Statement of Corporate Governance Practices.

Board Membership

In the Board’s view 13 of the 16 directors, namely Ms. Susan Sherk and Messrs. Marc A. Bibeau, Marcel R. Coutu, André Desmarais, Paul Desmarais, Jr., V. Peter Harder, Daniel Johnson, John McCallum, R. Jeffrey Orr, Jacques Parisien, Roy W. Piper, Michel Plessis-Bélair and Henri-Paul Rousseau are independent of management and have no other relationships that could reasonably interfere with the exercise of their independent judgment in discharging their duties to the Corporation. Messrs. Murray J. Taylor and Jeffrey R. Carney, Co-Presidents of the Corporation, as well as Mr. Gregory D. Tretiak, who acted as Executive Vice-President and Chief Financial Officer of the Corporation until May 7, 2012, are not independent.

The following proposed directors are also independent within the meaning of the Instruments: Ms. Susan Sherk and Messrs. Marc A. Bibeau, Marcel R. Coutu, V. Peter Harder, Daniel Johnson, John McCallum, Jacques Parisien and Roy W. Piper.

The following directors are deemed not to be independent within the meaning of the Instruments, namely Messrs., André Desmarais, Paul Desmarais, Jr., R. Jeffrey Orr, Michel Plessis-Bélair and Henri-Paul Rousseau. All of these directors are, or within the last three years have been, executive officers or employees of Power Financial or Power Corporation of Canada (“Power Corporation”) or otherwise receive some compensation from Power Financial or Power Corporation, and on that basis alone are deemed by the Instruments to be non-independent. A majority of the Corporation’s directors are not independent within the meaning of the Instruments. However, the Board notes that all of these directors are independent of management and have no relationships whatsoever with the Corporation other than as directors and shareholders, and that in the Board’s view they can reasonably be expected to exercise independent judgment in discharging their duties to the Corporation.

Committee Membership

The Audit Committee and the Related Party and Conduct Review Committee are composed entirely of directors who are independent within the meaning of the Instruments. The Compensation Committee, the Governance and Nominating Committee and the Community Affairs Committee are composed entirely of directors who are independent of management and, in the Board’s view, this ensures an objective process for determining compensation for the Corporation’s directors and officers, and it ensures an objective process for the nomination of directors. However, some members of the Governance and Nominating Committee, the

Compensation Committee and the Community Affairs Committee, as noted above, are deemed not to be independent within the meaning of the Instruments only because they are executive officers of Power Corporation or Power Financial. All but three of the directors on the Executive Committee are independent of management.

Meetings of Independent Directors

The Chairman of the Board is responsible for ensuring that the directors who are independent of management have opportunities to meet without management present. All independent directors are encouraged by the Chairman of the Board to have open and candid discussions with the Chairman or with the Co-Presidents.

The Board has adopted a policy relating to meetings of independent directors at Board and Committee meetings. The directors on the Board who are independent of management meet at least twice annually without members of management present. Each of the Compensation Committee, Governance and Nominating Committee and Community Affairs Committee are comprised of directors who are independent of management. The Compensation Committee and Governance and Nominating Committee, as well as the Executive Committee, typically meet without members of management in attendance as follows: Executive Committee – two times per year, Compensation Committee – two times per year, Governance and Nominating Committee – one time per year. Each of the Audit Committee and the Related Party and Conduct Review Committee are comprised entirely of directors who are independent within the meaning of the Instruments. Those Committees meet without members of management in attendance as follows: Audit Committee – four times per year, Related Party and Conduct Review Committee – at every meeting.

For the year ended December 31, 2013, the following numbers of meetings have been held without members of management present: Board of Directors – six; Executive Committee – two; Compensation Committee – two; Governance and Nominating Committee – two; Audit Committee – four; and Related Party and Conduct Review Committee – all meetings.

Board and Committee Mandates

The Board has adopted a Charter for itself and for each of its seven Committees. The Board's Charter is attached as Schedule "A" to the Corporation's Management Proxy Circular, dated February 28, 2014 (available at www.sedar.com). The mandates of all seven Committees are described earlier in this Management Proxy Circular.

Chairman of the Board

The Chairman of the Board is independent of management, and in the Board's view has no other relationships that could reasonably interfere with the exercise of his independent judgment or with his leading the Board to exercise independent judgment on matters that come before it. However, he is deemed not to be an independent director within the meaning of the Instruments, only because he is the President and Chief Executive Officer of Power Financial.

Director Affiliations and Attendance

Additional information relating to directors, including other public company boards on which they serve, as well as their attendance records for all Board and Committee meetings held during 2013, can be found in the section entitled "Election of Directors" in the Corporation's Management Proxy Circular, dated February 28, 2014 (available at www.sedar.com).

Chairmen and CEO Position Description

The Board has approved written position descriptions for the Chairman of the Board and for the Chairmen of each Board Committee. In general terms, the Chairman of the Board and the Chairmen of the Board Committees are responsible for ensuring that the Board or Committee is able to fulfill its duties and responsibilities in an effective manner, for planning and organizing the activities of the Board and of the Committee, for ensuring that delegated Committee functions are carried out and reported as necessary, for facilitating effective interaction with management and for engaging outside advisors where necessary.

The Board has approved a written position description for the Co-Presidents. In general terms, the Co-Presidents are responsible for managing the strategic and operational performance of the Corporation in accordance with the goals, policies and objectives set from time to time by the Board, including developing for the Board's approval the Corporation's strategic plans and initiatives and developing sound operating strategies to implement such plans, for developing and implementing policies to identify and manage the risks inherent in the Corporation's businesses, for setting an operational environment that is performance driven, for assisting the Board with succession planning, and for representing the Corporation to its major stakeholders.

Orientation and Continuing Education

The Governance and Nominating Committee is responsible for director orientation and education and for ensuring that newly elected directors are provided with a comprehensive orientation as to the nature and operation of the business and affairs of the Corporation and the Corporation's major operating subsidiaries and as to the role of the Board and its Committees, and existing directors are periodically updated in respect of the foregoing.

In order to orient new directors as to the nature and operation of the Corporation's business, they are also given the opportunity to meet with members of the Corporation's executive management team and with members of the executive management teams of the Corporation's major operating subsidiaries to discuss the Corporation's businesses and activities.

The orientation program is designed to assist the directors in fully understanding the nature and operation of the Corporation's business (and the businesses of its major operating subsidiaries), the role of the Board and its Committees, and the contributions that individual directors are expected to make.

The Corporation did not hold formal director orientation and education sessions in 2013. Instead, a number of special topic presentations were reviewed with Executive Committee members and the Board of Directors, including overviews of regulatory issues and strategic plans for the Corporation and its subsidiaries.

Ethical Business Conduct

IGM Financial Inc. has adopted a written conduct policy (the "Conduct Policy") that governs its directors, officers and employees and those of its respective subsidiaries. Copies of the Conduct Policy can be found at www.sedar.com. A copy of the Conduct Policy is also available by contacting the Corporation's Chief Compliance Officer.

The Board oversees compliance with the Conduct Policy through the Corporation's Chief Compliance Officer, who monitors compliance with the Conduct Policy and reports to the relevant audit committee on such compliance at least annually. Officers and employees must report known and suspected breaches of the Conduct Policies to the Chief Compliance Officer. All reported breaches and results of investigations are reported to the relevant audit committee by the Chief Compliance Officer. The Conduct Policy is distributed annually to each of the directors, officers and employees of the Corporation and its subsidiaries, all of whom are required to provide an acknowledgement of review and compliance with the Conduct Policy.

In order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or an executive officer has a material interest, the director or executive officer having a conflict of interest must declare his or her interest and excuse himself or herself from the meeting during the consideration of and voting on that particular matter. If a conflict of interest arises on a non-material matter, the director must declare his or her interest and abstain from discussion and voting. Any potential conflicts that may arise between the Corporation and related parties, including Power Corporation and Power Financial, relating to transactions between those companies or companies controlled by Power Corporation or Power Financial, are dealt with by the Related Party and Conduct Review Committee as described earlier.

Nomination and Assessment of Directors

The Board has established a Governance and Nominating Committee which is responsible for recommending to the Board candidates for directors who possess the qualifications, competencies, skills, business and financial experience, leadership roles and level of commitment required of a director to fulfill Board responsibilities. The Committee recognizes that each director will contribute differently to the Board and will each bring particular strengths in different areas of qualification. After considering the qualifications that existing directors possess and that each new nominee will bring to the Board, and after considering the appropriate level of representation on the Board by directors who are independent of management and who are neither officers nor employees of any affiliates of the Corporation, the Committee identifies candidates qualified for Board membership, and recommends to the Board nominees to be placed before shareholders at the next annual general meeting.

The Committee, and subsequently the Board, is mindful of the importance of having a Board with a balance of competencies, skills and experience as well as geographic representation. The Committee and the Board believe that these factors and the continuity of membership are critical to the Board's efficient operation. The contributions and effectiveness of individual directors, and of the Board and its Committees, are reviewed and assessed by the Committee from time to time.

The Corporation has adopted a form of proxy which gives shareholders the ability to vote for or withhold from voting for each individual director proposed for election to the Board of Directors of the Corporation.

Compensation Committee

The Board has established a Compensation Committee which is responsible for reviewing and approving compensation policies and guidelines for employees of the Corporation, as well as the risk oversight of the Corporation's compensation policies and practices. The Compensation Committee reviews and recommends to the Board compensation arrangements for the Co-Presidents (including grants under equity compensation plans), reviews and approves compensation arrangements for the senior officers of the Corporation, and approves grants under equity compensation plans for all employees (except the Co-Presidents). The Compensation Committee also reviews and recommends to the Board compensation arrangements for the directors, the Chairman of the Board and the Chairmen of Board Committees. The Compensation Committee recommends to the Board such incentive compensation plans, equity compensation plans, registered plans, supplemental pension plans and other compensation plans for employees as it deems appropriate. The Compensation Committee is responsible for overseeing all aspects of the Corporation's role as plan sponsor of the Corporation's registered pension plans. The Compensation Committee also reviews succession plans for senior officers of the Corporation. The Boards of the Corporation's major operating subsidiaries have also established Compensation Committees with similar mandates.

Further particulars of the process by which compensation for the Corporation's directors and officers is determined is set forth in the Corporation's Management Proxy Circular, dated February 28, 2014, under the headings "Compensation of Directors", "Statement of Executive Compensation" and "Compensation Discussion and Analysis" (available at www.sedar.com).