

IGM FINANCIAL INC.



**2004 ANNUAL INFORMATION FORM
March 21, 2005**

Caution Regarding Forward-Looking Statements

This Annual Information Form and the documents incorporated by reference may contain forward-looking statements about IGM Financial Inc., including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future Company action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Company due to, but not limited to, important factors such as general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, catastrophic events, and the Company’s ability to complete strategic transactions and integrate acquisitions. The reader is cautioned that the foregoing list of important factors is not exhaustive. The reader is also cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements.

Non-GAAP Financial Measures

This Annual Information Form and the documents incorporated by reference may also contain non-GAAP financial measures. Terms by which non-GAAP financial measures are identified include but are not limited to “Net income, diluted earnings per share and return on common equity excluding unitholder compensation” and “Net income, diluted earnings per share and return on common equity excluding a dilution gain, a reversal of restructuring costs and a non-cash income tax charge related to increases in Ontario tax rates”, as well as “Earnings before interest, taxes, depreciation and amortization (EBITDA)”. Non-GAAP financial measures are used to provide management, investors and investment analysts with additional measures to assess earnings performance.

However, these non-GAAP financial measures do not have a standard meaning and are not directly comparative to similar measures used by other companies and may not be directly comparable to any prescribed GAAP measure. Please refer to the appropriate reconciliations of these non-GAAP financial measures to measures prescribed by GAAP.

IGM FINANCIAL INC.

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* Parts of the 2004 Annual Report of IGM Financial Inc. for the year-ended December 31, 2004 ("2004 Annual Report") and parts of the Management Proxy Circular dated March 14, 2005 respecting the May 6, 2005 meeting of the Corporation's shareholders ("Proxy Circular") are incorporated by reference into this Annual Information Form. Both the 2004 Annual Report and the Proxy Circular can be found on SEDAR at www.sedar.com.

Unless otherwise specified, this Annual Information Form presents information as at December 31, 2004.

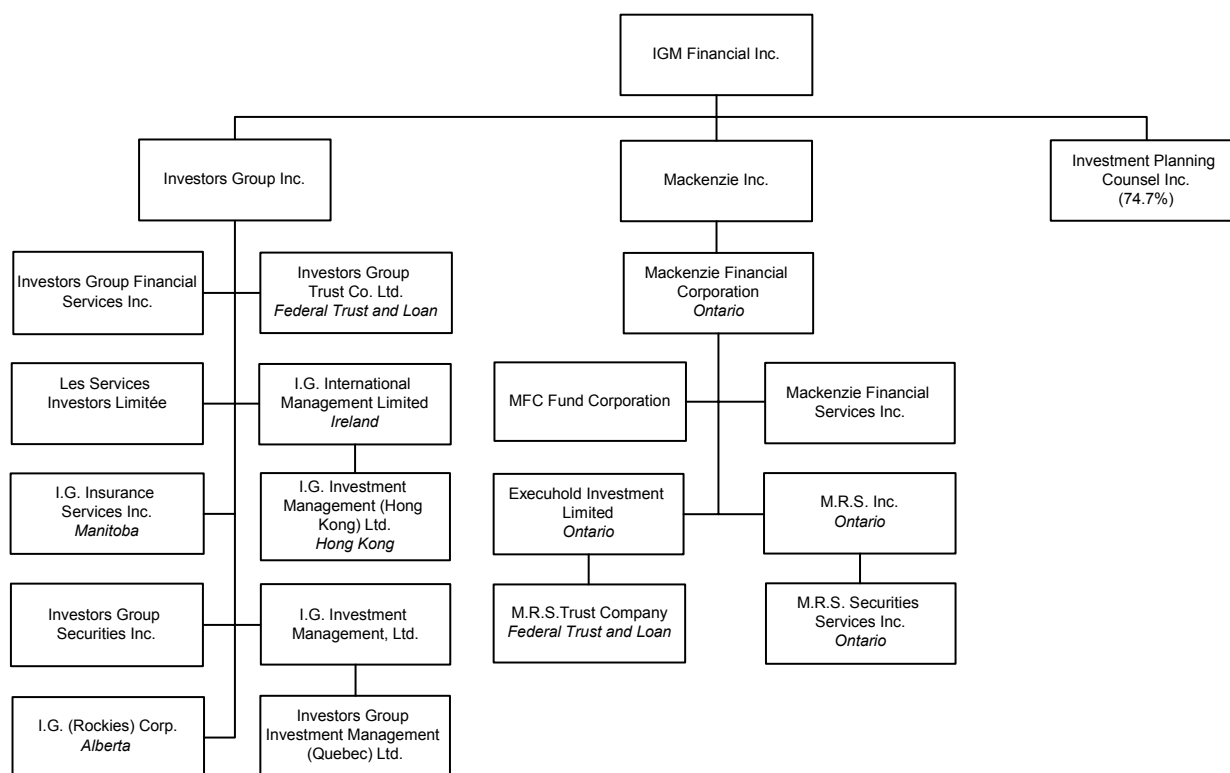
INCORPORATION

IGM Financial Inc. ("IGM Financial" or the "Corporation") was incorporated under the Canada Business Corporations Act on August 3, 1978 and its capital structure reorganized by Articles of Amendment effective September 19, 1986. Its name was changed to IGM Financial Inc. by Articles of Amendment effective April 30, 2004 and its Articles re-stated effective April 30, 2004.

The Corporation is a subsidiary of Power Financial Corporation and its registered office and principal place of business is located at One Canada Centre, 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6.

Subsidiaries and Corporate Structure

The following chart details the inter-corporate relationships among IGM Financial and its principal subsidiaries as of December 31, 2004, giving the jurisdiction of incorporation and percentage of voting securities held:



Unless otherwise indicated, all companies were incorporated under the Canada Business Corporations Act and 100% of their voting securities are owned.

DESCRIPTION OF BUSINESS

IGM Financial Inc. is one of Canada's premier financial services companies and the country's largest manager and distributor of mutual funds and other managed asset products. With over 2 million clients and \$83.3 billion in mutual fund assets under management, it holds a strong leadership position in the financial services industry.

IGM Financial's subsidiaries, Investors Group Inc., Mackenzie Financial Corporation and Investment Planning Counsel Inc., offer their own distinctive products and services, which include investment, retirement, tax and estate planning advice and service, and products that include mutual funds and managed asset funds, insurance and securities services, guaranteed investment certificates, banking products and mortgages. These products and services are offered through separate advice channels made up of over 34,000 consultants and independent financial advisors. As at December 31, 2004 the Corporation had 3,324 employees.

For a further description of the Corporation's business, see pages 29 to 84 of the Corporation's 2004 Annual Report.

DEVELOPMENT OF BUSINESS

Three Year History

In early 2001 the Corporation acquired Mackenzie Financial Corporation ("Mackenzie") in exchange for cash and shares aggregating \$3.991 billion.

The acquisition of Mackenzie provided IGM Financial with a vehicle to access different distribution channels, namely the independent financial planner and full service broker markets. The combination of the Corporation and Mackenzie created one of Canada's premier personal financial services companies and the country's largest manager and distributor of mutual funds and other managed asset products.

Since acquisition, the brand, mutual fund development, investment, distribution and sales operations of Mackenzie and Investors Group Inc. ("Investors Group") have continued to operate separately. Mackenzie has retained the Mackenzie families of mutual funds and other investment products and has continued to develop, market, distribute and sell the Mackenzie families of mutual funds and other investment products separately from those of Investors Group.

On April 23, 2001 the Corporation filed a short form base shelf prospectus with the securities regulatory commissions in all provinces and territories of Canada. The prospectus provided for the issuance of both preferred shares and debt securities in an aggregate principal amount of up to \$3.1 billion over a 25 month period. Pursuant to the prospectus, IGM Financial sold \$600 million principal amount of debentures and \$360 million first preferred shares on May 9, 2001; \$175 million principal amount of debentures on December 13, 2002 and \$300 million principal amount of debentures on March 5, 2003.

On May 10, 2004 IGM Financial acquired a 74.7% interest in Investment Planning Counsel Inc. ("Investment Planning Counsel") in exchange for \$75.9 million in cash and the issuance of 734,796 common shares, for total consideration of \$100.3 million. Investment Planning Counsel is the fifth largest financial planning organization in Canada, with over 580 financial advisors and \$8 billion in client assets under administration, which includes \$1.5 billion in mutual fund assets under management in Counsel Group of Funds Inc. The acquisition of Investment Planning Counsel will expand the Corporation's presence in the independent financial planning channel.

The transaction was structured to maintain the entrepreneurial character of Investment Planning Counsel and is consistent with the Corporation's strategy of owning leading businesses in both manufacturing and distribution within the advice segment of the financial services industry. Investment Planning Counsel has continued to operate separately from Investors Group and Mackenzie.

Together, the combined businesses of Investors Group, Mackenzie and Investment Planning Counsel now comprise \$83.3 billion in mutual fund assets under management, with over 2 million clients and access to over 38,000 consultants and independent financial advisors across Canada, including 3,496 Investors Group Consultants, 584 Investment Planning Counsel advisors and 4,167 advisors and agents with Great-West Life and London Life.

On February 21, 2005 the Corporation announced the renewal of its normal course issuer bid with the Toronto Stock Exchange, to be effective from February 23, 2005 through February 22, 2006 inclusive. The Corporation intends to purchase for cancellation up to 13,232,541 of its common shares during the course of the bid, representing approximately 5% of its 264,650,830 common shares outstanding as at February 18, 2005. The Corporation will pay market price at the time of acquisition for shares acquired by it pursuant to the bid.

For additional information concerning the general development of the Corporation's business, a discussion of acquisitions in 2004, and a discussion of risk factors reasonably expected to have a material affect on the Corporation's business, financial condition or results of operation, see pages 22 to 84 of IGM Financial's 2004 Annual Report.

DIVIDEND POLICY

Dividends

The current practice of the Corporation is to pay dividends to the holders of its Common Shares on a quarterly basis. A fixed 5.75% annual non-cumulative dividend is payable quarterly to holders of its Preferred Shares.

The Corporation's ability to pay common share dividends is restricted by the terms of the outstanding Preferred Shares, which provide that IGM Financial may not pay dividends on its common shares at any time unless all dividends to which preferred shareholders are then entitled have been declared and paid or set apart for payment.

The following table reflects the amount of cash dividends declared per share for each class of the Corporation's outstanding shares for each of the three most recently completed financial years.

YEAR	QUARTER	COMMON DIVIDENDS DECLARED	PREFERRED DIVIDENDS DECLARED
2002	1 st Quarter	.205	.359
	2 nd Quarter	.205	.359
	3 rd Quarter	.225	.359
	4 th Quarter	.225	.359
2003	1 st Quarter	.240	.359
	2 nd Quarter	.240	.359
	3 rd Quarter	.255	.359
	4 th Quarter	.255	.359
2004	1 st Quarter	.275	.359
	2 nd Quarter	.275	.359
	3 rd Quarter	.300	.359
	4 th Quarter	.300	.359

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The following table sets out the authorized share capital of the Corporation, together with the number of issued and outstanding shares of each type.

SHARE CLASS	ISSUED AND OUTSTANDING
Non-Cumulative First Preferred Shares, Series A	14,400,000
Second Preferred Shares, issuable in series	0
Class 1 Non-Voting Shares	0
Common Shares	264,598,380

The characteristics of each class of shares are as follows:

(a) **Non-Cumulative First Preferred Shares, Series A:**

- (i) **Voting Rights:** Holders are not entitled to receive notice of or to attend or vote at any meeting of shareholders until the Corporation has failed to declare and pay eight quarterly dividends, whether or not consecutive. In that event, until such time as the dividends are paid, the holder of the shares are entitled to receive notice of and to attend all shareholders meetings and will be entitled to one vote per Series A share. Upon payment by the Corporation of the whole amount of the dividend, these voting rights cease.
- (ii) **Dividends:** Dividends in an amount equal to \$0.359375 per Series A share, as and when declared by the Board, are paid on the last day of March, June, September and December in each year. Holders of any series of First Preferred Shares will be entitled to receive dividends in priority to the holders of Second Preferred Shares, Common Shares and Class 1 Non-Voting Shares (and shares of any other class that rank subordinate to them), as and when declared by the Board.
- (iii) **Redemption, Conversion and Purchase:** Under certain circumstances, the Corporation is entitled to redeem or convert the Series A shares. The shares are redeemable by the Corporation on or after June 30, 2009 in cash, at \$26.00 per share if redeemed prior to June 30, 2010, \$25.67 if redeemed on or after June 30, 2010, but prior to June 30, 2011, \$25.33 if redeemed on or after June 30, 2011, but prior to June 30, 2012 and \$25.00 if redeemed on or after June 30, 2012. On or after June 30, 2009, the Corporation may convert each preferred share into that number of common shares determined by dividing the then applicable redemption price by the greater of \$2.00 and 95% of the weighted-average trading price of the common shares at such time. On or after June 30, 2013, subject to the right of the Corporation to redeem for cash or to find substitute purchasers for such shares, each Series A Share will be convertible at the option of the holder into that number of Common Shares determined by dividing \$25.00 by the greater of \$2.00 and 95% of the weighted-average trading price of the Common Shares at such time.
- (iv) **Liquidation, Dissolution or Winding-up:** Before any amount can be paid to, or assets distributed among holders of Second Preferred Shares, Common Shares, Class 1 Non-Voting Shares or shares of any other class subordinate to the First Preferred Shares, the holders of First Preferred Shares are entitled to receive amounts the articles provide to them in respect of return of capital, premium and accumulated dividends remaining unpaid, including all cumulative dividends, whether declared or not. Holders of this class of shares are not entitled to share in any further distribution of the assets.

(b) **Second Preferred Shares:**

- (i) **Voting Rights:** Holders are not entitled to receive notice of or to attend meetings of shareholders, nor are they entitled to vote at such meetings. The Second Preferred Shares are issuable in series and are subject and subordinate to the rights, privileges, restrictions and conditions attaching to the First Preferred Shares.
- (ii) **Dividends:** Holders of any series of Second Preferred Shares will be entitled to receive dividends in priority to the holders of Common Shares and Class 1 Non-Voting Shares (and shares of any other class that rank subordinate to them), as and when declared by the Board.
- (iii) **Liquidation, Dissolution or Winding-up:** Before any amount can be paid to, or assets distributed among holders of Common Shares, Class 1 Non-Voting Shares or shares of any other class subordinate to the Second Preferred Shares, the holders of the Second Preferred Shares are entitled to receive amounts the articles provide must be paid to them in respect of return of capital, premium and accumulated dividends remaining unpaid, including all cumulative dividends, whether declared or not. Holders of this class of shares are not entitled to share in any further distribution of the assets.

(c) **Class 1 Non-Voting Shares:**

- (i) **Voting Rights:** The holders of Class 1 Non-Voting Shares are not entitled to vote at shareholders meetings, but are entitled to receive notice thereof.
- (ii) **Dividends:** These shares rank equally with the Common Shares as to dividends.
- (iii) **Liquidation, Dissolution or Winding-up:** After payment to holders of First Preferred Shares, Second Preferred Shares and any other class of shares of amounts which they are entitled to receive in the event of liquidation, dissolution or winding-up of the Corporation, the remaining assets of the Corporation will be paid to or distributed equally among the Common shareholders and Class 1 Non-Voting shareholders, without preference or distinction.

(d) **Common Shares:**

- (i) **Voting Rights:** Common shares of the Corporation entitle the holders to vote at any meeting of shareholders.
- (ii) **Dividends:** Holders of these shares are entitled to dividends, as and when declared by the Board, and are subject to the priority of payment of dividends attaching to the series of First Preferred and Second Preferred Shares as noted above.
- (iii) **Liquidation, Dissolution or Winding-up:** After payment to holders of First Preferred Shares, Second Preferred Shares and any other class of shares of amounts which they are entitled to receive in the event of liquidation, dissolution or winding-up of the Corporation, the remaining assets of the Corporation will be paid to or distributed equally among the Common shareholders and Class 1 Non-Voting shareholders, without preference or distinction.

Ratings

The following table sets out ratings given to the Corporation's outstanding securities:

Specific Securities	DBRS	S&P
Long-term Debt (unsecured debentures)	A	A
First Preferred Shares, Series A	Pfd-2n	P-2 (High)

Credit ratings are intended to provide investors with an independent measure of the credit quality of the securities of a company and are indicators of the likelihood of payment and the capacity of a company to meet its obligations in accordance with the terms of each obligation. A description of the rating categories for each of the above agencies is noted below.

These ratings are not a recommendation to buy, sell or hold the securities of the Corporation and do not address market price, nor other factors that might determine suitability of a specific security for a particular investor. The ratings also may not reflect the potential impact of all risks on the value of securities. They are subject to revision or withdrawal at any time by the rating organization.

(a) Dominion Bond Rating Services (DBRS)

DBRS has different rating scales for short-term debt, long-term debt and preferred shares. The A rating assigned to IGM Financial's senior unsecured debentures is the third highest of the ten rating categories for long term debt. Under the DBRS system, debt securities rated A are of satisfactory credit quality and protection of interest and principal is considered substantial. While this is a favorable rating, entities in the A category are considered to be more susceptible to adverse economic conditions and have greater cyclical tendencies than higher rated companies.

The Pfd-2n rating assigned to the Corporation's preferred shares is the second highest of the six rating categories for preferred shares. It indicates that the preferred shares are of a satisfactory credit quality and protection of dividends and principal is substantial. The earnings, balance sheet and coverage ratios are, however, not as strong as Pfd-1 rated companies.

(b) Standard & Poor's (S&P)

S&P also has different rating scales for short-term debt, long-term debt and preferred shares. The A rating assigned to the Corporation's senior unsecured debentures is the third highest of the ten rating categories for long-term debt. An A rating indicates that the Corporation's capacity to meet its financial commitments is strong, but the obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher rated categories.

The P-2 (High) rating assigned to the Corporation's preferred shares is the fourth highest of ten rating categories for preferred shares. It indicates that the preferred shares are backed by an adequate capacity to satisfy preferred share obligations.

MARKET FOR SECURITIES

The Common Shares and the First Preferred Shares, Series A of the Corporation are listed on the Toronto Stock Exchange. The Common Shares are listed under the stock symbol "IGM", and the First Preferred Shares, Series A are listed under the stock symbol "IGM.PR.A".

The following table provides information concerning the price range and volume of shares traded for each of these classes of securities on a monthly basis for each month of the year ended December 31, 2004.

Common Shares

2004	LOW PRICE	HIGH PRICE	VOLUME
January	30.710	33.750	3,227,607
February	32.800	34.330	4,193,750
March	34.290	36.120	3,618,119
April	34.500	35.970	2,831,220
May	32.400	35.040	3,046,142
June	32.250	34.490	3,492,153
July	32.010	33.870	3,266,201
August	31.960	33.750	2,078,343
September	33.600	34.330	2,406,149
October	33.750	34.300	2,562,108
November	33.630	35.950	2,902,818
December	33.410	36.640	3,984,168

First Preferred Shares, Series A

2004	LOW PRICE	HIGH PRICE	VOLUME
January	27.860	28.500	126,980
February	28.050	28.550	107,583
March	27.910	29.000	449,613
April	27.620	29.000	496,850
May	27.350	27.760	280,769
June	27.460	27.600	98,025
July	27.550	28.350	319,521
August	27.660	28.130	144,641
September	27.750	28.150	197,289
October	27.900	28.200	202,557
November	28.110	28.750	136,031
December	28.460	29.950	150,843

DIRECTORS AND OFFICERS

Directors

See pages 3 to 8 of the Proxy Circular for a list of Directors, their business affiliations, municipality of residence, their shareholdings in the Corporation, their tenure as directors of the Corporation and a list of board committees and the members thereof. Messrs. A. Desmarais, P. Desmarais, Jr., Gratton, Mazankowski and Plessis-Bélaïr are directors of the Corporation's parent corporation, Power Financial Corporation.

All of the Directors have held their present business affiliations for the past five (5) years, with the exception of R. Jeffrey Orr, Murray J. Taylor and Charles R. Sims, whose previous affiliations are noted below.

To the knowledge of the Corporation, no director or executive officer of the Corporation is or has been, in the last ten years, a director or executive officer of a company that, while that person was acting in that capacity, (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days, or (c) 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, other than Daniel Johnson, who was a director and chairman of the board of Geneka Biotechnologie Inc. until March 7, 2003, approximately two months prior to the date on which Geneka Biotechnologie Inc. was deemed to have made an assignment in bankruptcy.

Executive Officers

The Executive Officers of the Corporation and its principal subsidiaries are as follows:

NAME AND MUNICIPALITY OF RESIDENCE OF OFFICER	POSITION HELD WITH THE CORPORATION AND AFFILIATES
R. Jeffrey Orr Winnipeg, Manitoba	President and Chief Executive Officer, IGM Financial Inc.
Gregory D. Tretiak Winnipeg, Manitoba	Executive Vice-President, Finance, IGM Financial Inc.
W. Terrence Wright, Q.C. Winnipeg, Manitoba	Senior Vice-President, General Counsel & Secretary, IGM Financial Inc.
Murray J. Taylor Winnipeg, Manitoba	President and Chief Executive Officer, Investors Group Inc.
Gary Wilton Winnipeg, Manitoba	Executive Vice-President, Client and Information Services, Investors Group Inc.
Kevin E. Regan Winnipeg, Manitoba	Executive Vice President, Financial Services, Investors Group Inc.
Mark Kinzel Winnipeg, Manitoba	Executive Vice President, Financial Services Investors Group Inc.
Donald W. Smith Toronto, Ontario	Senior Vice-President, Human Resources, Investors Group Inc.
A. Scott Penman Winnipeg, Manitoba	Executive Vice President, I.G. Investment Management, Ltd.
Charles R. Sims San Mateo, California	President and Chief Executive Officer, Mackenzie Financial Corporation
Philip F. Cunningham Toronto, Ontario	Executive Vice-President, Mackenzie Financial Corporation and Chairman, Mackenzie Financial Services Inc.
Andrew H. Dalglish	

NAME AND MUNICIPALITY OF RESIDENCE OF OFFICER	POSITION HELD WITH THE CORPORATION AND AFFILIATES
Toronto, Ontario	Executive Vice-President, Mackenzie Financial Corporation and President, MRS Group of Companies
Peter T. Dawkins Mississauga, Ontario	Executive Vice-President and Chief Investment Officer, Mackenzie Financial Corporation
David B. Feather Toronto, Ontario	Executive Vice-President, Mackenzie Financial Corporation and President, Mackenzie Financial Services Inc.
Frederick H. S. Sturm Toronto, Ontario	Executive Vice-President and Chief Investment Strategist, Mackenzie Financial Corporation

All executive officers have held their present business affiliations for the past five (5) years, with the exception of the following officers, whose affiliations are noted below:

R. Jeffrey Orr	President and Chief Executive Officer, IGM Financial Inc. since May 1, 2001, formerly Vice-Chairman, Bank of Montreal and Chairman and Chief Executive Officer of BMO Nesbitt Burns since May 1, 1999 and prior to that in various positions with BMO Nesbitt Burns since 1981.
Murray J. Taylor	President and Chief Executive Officer, Investors Group Inc. since April 30, 2004, formerly Executive Vice President, Investors Group Inc. since May 16, 2001, and prior to that in various positions with The Great West Life Assurance Company since 1976.
Charles R. Sims	President and Chief Executive Officer of Mackenzie Inc. and Mackenzie Financial Corporation since March 1, 2005, formerly Chief Administrative Officer, Global Distribution, Franklin Templeton Investments and prior to that with Franklin Templeton in various positions, both in Canada and the United States, since 1989.
Peter T. Dawkins	Executive Vice President and Chief Investment Officer, Mackenzie Financial Corporation since March 3, 2003, formerly Managing Director, Institutional Equity Research, CIBC Wood Gundy since 2000 and prior to that, Senior Vice President and Director of Institutional Equity, Merrill Lynch Canada since 1989.
Donald W. Smith	Senior Vice President, Human Resources, Investors Group Inc. since June, 2002, Senior Vice President, Human Resources, Mackenzie Financial Corporation since August, 2000 and prior to that Senior Vice President, Human Resources, CUMIS Group since 1996.

Shareholdings of Directors and Executive Officers

To the knowledge of the Corporation, the directors and executive officers of the Corporation as a group beneficially own, directly or indirectly, or exercise control or direction over approximately 1,084,232 or .41% of the outstanding common shares of the Corporation.

Power Financial Corporation owns 142,400,080 Common Shares directly, representing 53.8% of the outstanding Common Shares of the Corporation, and indirectly through 3411893 Canada Inc., a wholly owned subsidiary of Power Financial, 5,532,000 Common Shares, representing 2.1% and through The Great-West Life Assurance Company, 9,200,000 Common Shares representing 3.5%. Power Financial Corporation is controlled by Power Corporation of Canada, over which Mr. Paul Desmarais and associates have voting control.

LEGAL PROCEEDINGS

For information concerning legal proceedings please see pages 53, 80 and 81 of the 2004 Annual Report.

TRANSFER AGENTS AND REGISTRARS

Computershare Trust Company of Canada acts as transfer agent and registrar for the Common Shares of the Corporation, and has offices in Calgary (Alberta), Halifax (Nova Scotia), Montreal (Quebec), Toronto (Ontario), Vancouver (British Columbia) and Winnipeg (Manitoba).

The Corporation acts as transfer agent and registrar for the First Preferred Shares, Series A of the Corporation and its head office is located in Winnipeg (Manitoba).

MATERIAL CONTRACTS

The following descriptions provide details of material contracts entered into by the Corporation since January 1, 2002 that are still in effect:

(a) Third Series Supplemental Trust Indenture

Dated as of December 13, 2002 between the Corporation and Computershare Trust Company of Canada ("Trustee"), the Indenture provides for the creation of \$175 million aggregate principal amount of 7.00% debentures due December 31, 2032. The Indenture provides that the debentures will be direct and unsecured obligations of the Corporation and will rank pari passu with all existing or future unsecured and unsubordinated indebtedness of the Corporation.

(b) Fourth and Fifth Series Supplemental Trust Indentures

Dated as of March 5, 2003 between the Corporation and Computershare Trust Company of Canada, the Indenture provides for the creation of \$150 million aggregate principal amount of 6.58% debentures due March 7, 2018 and \$150 million aggregate principal amount of 7.11% debentures due March 7, 2033, respectively. The Indentures provide that the debentures will be direct and unsecured obligations of the Corporation and will rank pari passu with all existing or future unsecured and unsubordinated indebtedness of the Corporation.

The above Indentures contain certain negative pledges and events of default.

AUDIT COMMITTEE

Audit Committee Composition

The Audit Committee of IGM Financial is comprised of the following four members: Donald F. Mazankowski (Chair), Alan J. Dilworth, John S. McCallum and Roy W. Piper. The responsibilities and duties of the Audit Committee are described in detail in the Charter of the Committee, which is set out in Appendix A to this Annual Information Form.

The Board of Directors believes that each member of IGM Financial's Audit Committee is "independent" and "financially literate" as such terms are defined under Canadian securities laws.

The following is a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibility as a member of that committee:

Mr. Mazankowski was a Member of Parliament for 25 years and held several senior Cabinet positions, including Deputy Prime Minister, Minister of Finance, President of the Treasury Board, Minister of Agriculture and President of the Queen's Privy Council. He serves on the Board of Directors of Power Corporation of Canada and has been a member of its audit committee since 1996. He serves on the Board of Directors of Weyerhaeuser Company and has been a member of its audit committee since 1997. Mr. Mazankowski is also a director of Canadian Oil Sands Trust and previously served on its audit committee. He is a former director and member of the audit committees of Gulf Canada and Gulf Indonesia (and was chairman of the audit committee of Gulf Indonesia), as well as having previously served on the board and audit committee of IMC Global. He has been Chairman and a member of the Audit Committee of IGM Financial since April, 1997.

Mr. Dilworth is a Chartered Accountant and business consultant. He serves on the Board of Directors of Medical Facilities Corporation, is Chairman of its Audit Committee and is also Chairman of St. Michael's Hospital (Toronto) Research Institute Inc. He previously served on the Board of Directors and Audit Committee of Mackenzie Financial Corporation and was a director and Chairman of the Audit Committee of Mackenzie Investment Management Inc. Mr. Dilworth was a partner of Deloitte & Touche from 1963 until retiring from practice in 1995. During his tenure there, he served as the firm's Chairman and as a member of its Board. While in public accounting, Mr. Dilworth was a member and Chairman of the Financial Disclosure Advisory Board of the Ontario Securities Commission; a member

and Chairman of the Canadian Institute of Chartered Accountants' Accounting Research Committee; Chairman of the CICA's Study Group on Financial Sector Reform; Vice-Chairman of the Board of the Canadian Comprehensive Audit Foundation; was a member of the Advisory Committee of the Auditor General of Canada and of the Public Accountants Council of Ontario. He was elected a Fellow of the Institute of Chartered Accountants of Ontario in 1976. He has been a member of the Audit Committee of IGM Financial since April 2002.

Mr. McCallum has been a Professor of Finance at the University of Manitoba since 1973. He has a Ph. D. from the University of Toronto in Finance, an M.B.A. from Queen's University in Marketing and Operations Research, a B.Sc. from the University of Montreal in Mathematics and Physics and a B.A. from the University of Montreal in Economics and Philosophy. His teaching and research interests are in corporate finance, monetary economics, capital markets and financial institutions. From 1977 to 1981 he was economic advisor to the Premier of Manitoba; from 1984 to 1991 he was special advisor to the Federal Minister of Finance and from 1991 to 1993 was special advisor to the Federal Minister of Industry, Science, Technology and Trade. From 1988 to 1990 he was Vice-Chairman of Manitoba Hydro, Chairman from 1990 to 2000 and chaired the audit committee from 1988 to 1990. Mr. McCallum also serves on the Board of Directors and Audit Committees of Fortis Inc. and Toromont Industry. He is a member of the Winnipeg Pension Fund Board and Chairs the Winnipeg Sinking Fund Trustees. His work has appeared in a number of finance related journals including CA magazine, CGA magazine and Cost and Management. He has been a member of the Audit Committee of IGM Financial since April, 1998.

Mr. Piper is a self-employed farmer. He was a director of Agricore Limited (formerly United Grain Growers Ltd.) from 1979 until 2000, a member of its Audit Committee from 1986 to 2000, Chairman of its Audit Committee from 1994 to 2000, and a Vice-President from 1988 to 2000. Mr. Piper is a Life Member of the Association of Professional Engineers of Saskatchewan. He has been a member of the Audit Committee of IGM Financial since April, 1988.

Pre-approval Policy

The Audit Committee has adopted a Policy Regarding Pre-approval of Services Provided by the External Auditor. The policy sets out audit services that are pre-approved by the Committee, outlines prohibited and pre-approved non-audit services and stipulates that all other non-audit services must be pre-approved by the audit committee. The pre-approved list of audit services and the pre-approved list of permitted non-audit services is to be reviewed and pre-approved periodically. The policy further requires that the External Auditor implement its own policies and procedures in order to ensure that prohibited non-audit services are not provided and to ensure that permitted non-audit services are pre-approved before an engagement is accepted.

External Auditor Services Fees

Aggregate fees paid to the Corporation's external auditor during the fiscal years ended December 31, 2003 and December 31, 2004 are as follows:

(\$ thousands)	YEARS ENDED DECEMBER 31	
	2004	2003
Audit Services	\$1,224	\$762
Audit-Related Services	596	406
Tax Services	762	1,091
Other Services	71	82
Total	2,653	2,341

(a) Audit Fees

Audit fees were paid for professional services rendered by the external auditor for the audit of the annual financial statements of the Corporation and its subsidiaries or services provided in connection with statutory and regulatory filings or engagements.

(b) Audit-Related Fees

Audit-related fees were paid for assurance and related services that are reasonably related to the performance of the audit or review of the annual financial statements of the Corporation and are not reported under the audit fees item above.

(c) Tax Fees

Tax fees were paid for tax compliance services including the review of tax returns, assistance with questions regarding tax audits, and assistance in completing routine tax schedules and calculations.

(d) Other

Fees disclosed under the item "Other" were paid for services other than the audit fees, audit-related fees and tax fees described above. These services consisted of french translation of the annual consolidated financial statements and management's discussion and analysis for the years ended December 31, 2004 and 2003 and the interim consolidated financial statements and quarterly reports to shareholders of the Corporation.

ADDITIONAL INFORMATION

Additional information about IGM Financial Inc. is available on SEDAR at www.sedar.com.

Information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans is, where applicable, contained in the Proxy Circular.

Additional financial information is provided in the financial statements and management's discussion and analysis for the year-ended December 31, 2004, which are contained in the 2004 Annual Report of the Corporation.

Copies of the above mentioned documents, as well as the following documents, are available from the Secretary of the Corporation at One Canada Centre, 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6.

- (i) this Annual Information Form, together with a copy of the most recent document, or the pertinent pages of any document, incorporated by reference in the Annual Information Form;
- (ii) a copy of any other documents that are incorporated by reference into a preliminary short form prospectus or a short form prospectus filed in connection with a distribution of the securities of the Corporation.

The Corporation may require the payment of a reasonable charge when the request is made by someone who is not a security holder of the Corporation, unless securities of the Corporation are in the course of a distribution pursuant to a preliminary short form prospectus or a final short form prospectus, in which case such documents will be provided free of charge.

APPENDIX A

IGM FINANCIAL INC.

AUDIT COMMITTEE CHARTER

1.0 COMPOSITION

The Audit Committee (the "**Committee**") of IGM Financial Inc. (the "**Corporation**") shall be composed of not less than three directors of the Corporation, all of whom shall be *independent* and *financially literate* within the meaning of the Canadian Securities Administrators Multilateral Instrument 52-110.

2.0 PROCEDURAL MATTERS

In connection with the discharge of its duties and responsibilities, the Committee shall observe the following procedures:

- (1) **Meetings.** The Committee shall meet at least four times every year, and more often if necessary, to discharge its duties and responsibilities hereunder.
- (2) **Advisors.** The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay, at the Corporation's expense, the compensation of such advisors.
- (3) **Quorum.** A quorum at any meeting of the Committee shall be two Committee members.
- (4) **Secretary.** The Chairman of the Committee, or any person appointed by the Chairman of the Committee, shall act as secretary of meetings of the Committee.
- (5) **Calling of Meetings.** A meeting of the Committee may be called by the Chairman of the Committee, by the Chairman of the Board of Directors (the "**Board**"), by the President and Chief Executive Officer, by the external auditor of the Corporation, or by any member of the Committee. When a meeting of the Committee is called by any one other than the Chairman of the Board, the Chairman of the Committee shall so inform the Chairman of the Board.

3.0 DUTIES AND RESPONSIBILITIES

3.1 **Financial Disclosure.** The Committee shall:

- (1) review the Corporation's:
 - (a) interim and annual financial statements;
 - (b) interim and annual management's discussions and analysis;
 - (c) interim and annual earnings press releases;
 - (d) annual information form;
 - (e) prospectuses; and
 - (f) other documents containing audited or unaudited financial information, at its discretion;

and report thereon to the Board before such documents are approved by the Board and disclosed to the public;

- (2) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the disclosure provided by the financial statements, management's discussions and analyses and earnings press releases, and shall periodically assess the adequacy of those procedures;
- (3) review, at its discretion, any financial information contained in any reports filed by the Corporation with

regulatory authorities in connection with the financial condition of the Corporation; and

- (4) review such investments and transactions that could adversely affect the well-being of the Corporation as the external auditor of the Corporation or any officer of the Corporation may bring to the attention of the Committee.

3.2 **External Audit.** The Committee shall:

- (1) review the recommendation of management and recommend to the Board the external auditor to be appointed for purposes of preparing or issuing an auditor's report or performing other audit, review or attest services;
- (2) review and approve the audit plan, the terms of the external auditor's engagement, the appropriateness and reasonableness of proposed audit fees, and any issues relating to the payment of audit fees, and make a recommendation to the Board with respect to the compensation of the external auditor;
- (3) review the independence of the external auditor, including an annual report prepared by the external auditor regarding its independence;
- (4) review the external auditor's engagement to ensure that the external auditor is duly appointed as external auditor of each of the Corporation's subsidiary entities, unless in the opinion of the Corporation, after consulting the external auditor, the total assets and/or net income of the subsidiary entity are not a material part of the total assets and/or net income of the Corporation, or unless, in the case of a subsidiary entity that carries on its operations in a country other than Canada, the laws of the country do not permit such appointment;
- (5) review the recommendation of management and the external auditor for the person designated to conduct the audit;
- (6) meet with the external auditor and with management to discuss the audit plan, audit findings, any restrictions on the scope of the external auditor's work, and any problems that the external auditor experiences in performing the audit;
- (7) review with the external auditor and management any changes in Generally Accepted Accounting Principles; the quality and the acceptability of major accounting policies and assumptions; alternative treatments of financial information within Generally Accepted Accounting Principles that have been discussed with management, the ramifications of the use of alternative treatments, and the treatment preferred by the external auditor; the presentation and impact of significant risks and uncertainties that could adversely affect the wellbeing of the Corporation; and key estimates and judgments of management; in each case that may be material to the Corporation's financial reporting;
- (8) have the authority to communicate directly with the external auditor;
- (9) receive reports directly from the external auditor;
- (10) directly oversee the work of the external auditor that is related to the preparation or issue of an auditor's report or other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (11) meet with the external auditor to discuss the annual financial statements (including the report of the external auditor thereon) and the interim financial statements (including the review engagement report of the external auditor thereon);
- (12) review the effect of off-balance sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Corporation's financial condition;
- (13) meet with the external auditor to discuss the investments and transactions referred to in subsection 3.1(4) hereof;
- (14) review any management letter containing the recommendations of the external auditor, and the response and follow up by management in relation to any such recommendations;
- (15) review any evaluation of the Corporation's internal control over financial reporting conducted by the external auditor, together with management's response;

- (16) pre-approve (or delegate such pre-approval to one or more of its members) in accordance with a pre-approval policy, all engagements for non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor, together with all non-audit services fees, and consider the impact of such engagements and fees on the independence of the external auditor;
- (17) review and approve the Corporation's hiring policy regarding partners, employees and former partners and employees of the present and former external auditor; and
- (18) review all issues and statements related to a change of the external auditor and the steps planned by management for an orderly transition.

3.3 **Internal Audit.** The Committee shall:

- (1) have the authority to communicate directly with the internal auditor;
- (2) review periodically the internal audit mandates of the Corporation;
- (3) review annually the internal audit plan;
- (4) require management to implement and maintain appropriate internal control procedures and review, evaluate and approve those procedures;
- (5) meet with the internal auditor and with management to discuss the effectiveness of the internal control procedures established for the Corporation; and
- (6) review a summary of the internal auditor's reports and management's responses and subsequent follow-up to any material risks identified in such reports.

3.4 **Compliance.** The Committee shall:

- (1) review reports of the chief compliance officer and chief privacy officer;
- (2) meet with the chief compliance officer and chief privacy officer to discuss the effectiveness of existing policies and procedures for compliance with applicable laws and regulations;
- (3) monitor compliance with the Code of Conduct or Business Conduct Policy, as applicable; and
- (4) review periodically the mandate of the chief compliance officer and chief privacy officer of the Corporation.

3.5 **Accounting Complaints Handling Procedures.** The Committee shall establish procedures for:

- (1) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (2) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

3.6 **In-Camera Sessions.** The Committee shall periodically meet in-camera alone, and meet separately with each of the external auditor, internal auditor and management, as the Committee deems appropriate.

3.7 **Subsidiaries.**

- (1) With respect to any Material Operating Subsidiary in the corporate ownership chain between the Corporation and any Direct Subsidiary, the Committee shall review the financial statements of that Material Operating Subsidiary.
- (2) With respect to any Direct Subsidiary:
 - (a) the Committee shall rely on the review and approval of the financial statements of the Direct Subsidiary by the audit committee and the board of directors of the Direct Subsidiary, and on reports or opinions of the external auditor on those financial statements;
 - (b) the Committee shall receive a copy of the charter of the Direct Subsidiary's audit committee, together with a memorandum summarizing its meeting processes and structure ("Process Memorandum"); and

- (c) at each meeting of the Committee, the secretary of the Committee shall table a report from the secretary of the Direct Subsidiary's audit committee confirming that the processes mandated by its charter and Process Memorandum have been followed.
- (3) For these purposes:
- (a) "**Material Operating Subsidiary**" means an operating subsidiary whose net income represents 10% or more of the net income of the Corporation; and
 - (b) "**Direct Subsidiary**" means any Material Operating Subsidiary that is directly owned by the Corporation and that has an audit committee which is comprised of a majority of independent directors.

4.0 AUDITOR'S ATTENDANCE AT MEETINGS

The external auditor shall be entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, to attend and be heard at any meeting of the Committee. If so requested by a member of the Committee, the external auditor shall attend every meeting of the Committee held during the term of office of the external auditor.

5.0 ACCESS TO INFORMATION

The Committee shall have access to any information, documents and records that are necessary in the performance of its duties and the discharge of its responsibilities under this Charter.

6.0 REVIEW OF CHARTER

The Committee shall periodically review this Charter and recommend any changes to the Board as it may deem appropriate.

7.0 REPORTING

The Chairman of the Committee shall report to the Board, at such times and in such manner, as the Board may from time to time require on matters subject to the Committee's review and consideration and shall promptly inform the Chairman of the Board of any significant issues raised by the members of the Committee, the internal or external auditor or the regulators and shall provide the Chairman of the Board copies of any written reports or letters provided by the external auditor and the regulators to the Committee.