

## Audit Committee Charter

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### 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 National 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 Corporate Secretary or an Associate Secretary or such other person as may be designated by the Chair of the Committee, or any person appointed by the Chair 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 Chair of the Committee, by the Chair 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. Meetings may be held at any time without notice if all members of the Committee waive notice, provided that the attendance of a Committee member at any such meeting shall be a waiver of notice of that meeting except where the Committee member objects to the transaction of business on the grounds that the meeting has not been validly called. When a meeting of the Committee is called by any one other than the Chair of the Board, the Chair of the Committee shall so inform the Chair of the Board.
6. **Joint Meetings with Risk Committee.** In each year, during a portion of at least one of the meetings referred to in Section 2.1 hereof, the Committee shall meet with the Corporation's Risk Committee and the Head of the Risk Function to present the Chief Internal Auditor's opinion on the design and operating effectiveness of the Risk Governance Framework.
7. The Committee may from time to time invite such persons as it considers fit to attend its meetings and to take part in its discussions and the consideration of matters before the Committee.

### 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; and
  - d. 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; and

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.

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

1. 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 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 the external auditor for the person designated to conduct the audit;
6. meet with the external auditor and with management to review the audit plan, audit findings, and any restrictions on the scope of the external auditor's work;
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 any management letter containing the recommendations of the external auditor, and the response and follow up by management in relation to any such recommendations;
13. review any evaluation of the Corporation's internal control over financial reporting conducted by the external auditor, together with management's response;
14. 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;
15. review and approve the Corporation's hiring policy regarding partners, employees and former partners and employees of the present and former external auditor; and
16. 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 Pension Plans.** The Committee shall:

1. review and approve (i) reports and certifications with respect to all plan audit-related activities as outlined in the Pension Plan Annual Report and (ii) Pension Plan financial reports; and
2. approve the appointment of the Pension Plan auditor.

**3.4 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.

**3.5 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.

- 3.6 **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
- 3.7 **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.
- 3.8 **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 Chair 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 Chair 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 Chair of the Board copies of any written reports or letters provided by the external auditor and the regulators to the Committee.

*Adopted by the Board of Directors on December 23, 2004, as amended October 29, 2009 and November 8, 2012.*