

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement (the “**Prospectus Supplement**”), together with the short form base shelf prospectus dated November 29, 2016 to which it relates (the “**Prospectus**”), as amended or supplemented, and each document deemed to be incorporated by reference into the short form base shelf prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

These securities have not been and will not be registered under the Securities Act of 1933 of the United States of America, as amended (the “**U.S. Securities Act**”) or any state securities laws. These securities may not be offered, sold or delivered in the United States or to or for the benefit of U.S. Persons (as defined in Regulation S under the U.S. Securities Act) and this Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “**Plan of Distribution**”.

Information has been incorporated by reference in this Prospectus Supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of IGM Financial Inc., 447 Portage Avenue, Winnipeg, Manitoba, R3B 3H5 (telephone: (204) 956-8328), and are also available electronically at [www.sedar.com](http://www.sedar.com).

## PROSPECTUS SUPPLEMENT

To a Short Form Base Shelf Prospectus dated November 29, 2016

**New Issue**

**December 5, 2017**



## IGM FINANCIAL INC.

### **\$250,000,000 principal amount of 4.115% Debentures due December 9, 2047**

This Prospectus Supplement qualifies the distribution of \$250,000,000 aggregate principal amount of 4.115% Debentures due December 9, 2047 (the “**Debentures**”) of IGM Financial Inc. (“**IGM**” or the “**Corporation**”). The Debentures will be dated December 7, 2017 and will mature on December 9, 2047. Interest on the Debentures at the rate of 4.115% per annum will be payable semi-annually in arrears on June 9 and December 9 in each year, commencing June 9, 2018. Assuming a closing date of the Offering (as defined below) of December 7, 2017, the initial interest payment on June 9, 2018 will be \$20.80047945 per \$1,000 principal amount of the Debentures. See “**Details of the Offering**”.

IGM may, at its option, redeem the Debentures in whole or in part at any time prior to June 9, 2047 or redeem the Debentures in whole but not in part on or at any time after June 9, 2047, in each case at the applicable redemption price described in this Prospectus Supplement. In cases of partial redemption, the Debentures to be redeemed will be selected by the Trustee (as defined below) *pro rata* or in such other manner as it shall deem appropriate. Any Debentures that are redeemed by IGM will be cancelled and will not be reissued. See “**Details of the Offering**”.

IGM was incorporated under the *Canada Business Corporations Act* on August 3, 1978. IGM is a personal financial services company, primarily providing investment advisory and related services, and is a subsidiary of Power Financial Corporation. The registered and head office of IGM is located at 447 Portage Avenue, Winnipeg, Manitoba, R3B 3H5.

**The Debentures will not be listed on any securities exchange or quotation system and consequently there is no market through which the Debentures may be sold and purchasers may not be able to resell Debentures purchased under this Prospectus Supplement. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures, and the extent of issuer regulation. See “**Risk Factors**”.**

	<u>Price to Public</u>	<u>Agents' Fee <sup>(1)</sup></u>	<u>Net Proceeds to IGM <sup>(2)(3)</sup></u>
Per \$1,000 principal amount of Debentures	\$1,000.00 (100.00%)	\$5.00 (0.50%)	\$995.00 (99.50%)
Total.....	\$250,000,000.00 (100.00%)	\$1,250,000.00 (0.50%)	\$248,750,000.00 (99.50%)

Notes:

- (1) Consisting of an agency fee of \$5.00 per \$1,000 principal amount of Debentures.
- (2) Plus accrued interest, if any, from December 7, 2017 to the date of delivery.
- (3) Before deduction of expenses of issue estimated at \$600,000 which, together with the Agents' fee, will be paid from the proceeds of the offering of the Debentures (the "**Offering**").

BMO Nesbitt Burns Inc., TD Securities Inc., CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc., Casgrain & Company Limited and Laurentian Bank Securities Inc. (collectively, the "**Agents**"), as agents, conditionally offer the Debentures for sale, on a best efforts basis, subject to prior sale, if, as and when issued by IGM and accepted by the Agents in accordance with the conditions contained in the Agency Agreement (as defined below) between IGM and the Agents referred to under "*Plan of Distribution*", and subject to the approval of certain legal matters on behalf of IGM by Blake, Cassels & Graydon LLP and on behalf of the Agents by Torys LLP. The Agents will receive an aggregate fee of \$1,250,000, assuming the full amount of the Debentures offered are sold. In the event that the full amount of the Debentures are not sold, the fee paid to the Agents will be prorated accordingly.

**IGM has been advised by the Agents that, in connection with the Offering and subject to applicable laws, the Agents may effect transactions intended to stabilize or maintain the market price of the Debentures at levels other than those that otherwise might prevail on the open market in accordance with market stabilization rules. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".**

Subscriptions for Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Book-entry only certificates representing the Debentures will be issued in registered form only to CDS Clearing and Depository Services Inc. ("**CDS**"), or its nominee, and will be deposited with CDS on closing of the Offering, which is expected to take place on December 7, 2017 and in any event not later than December 15, 2017. A purchaser of the Debentures will receive only a customer confirmation from the registered dealer who is a Participant (as defined below) and from or through whom the Debentures are purchased. See "*Details of the Offering — Depository Services*".

The CUSIP No./ISIN for the Debentures will be 449586AE6/CA449586AE64.

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In this Prospectus Supplement, unless otherwise indicated, capitalized terms which are defined in the Prospectus are used herein with the meanings defined therein. Unless otherwise indicated, all references in this Prospectus Supplement to "\$" or "dollars" are to Canadian dollars.

## FORWARD-LOOKING STATEMENTS

This Prospectus Supplement, including the documents that are incorporated by reference in this Prospectus Supplement, contains forward-looking statements based on certain assumptions that reflect IGM's and its subsidiaries' current expectations. Forward-looking statements are provided to assist the reader in understanding the Corporation's financial position and results of operations as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation and its subsidiaries, the expected closing date of the Offering, as well as the outlook for North American and international economies, for the current fiscal year and subsequent periods.

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", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including the perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. While the Corporation considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved.

A variety of material factors, many of which are beyond the Corporation's and its subsidiaries' control, affect the operations, performance and results of the Corporation, and its subsidiaries, and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes, operational and reputational risks, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, the Corporation's and its subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Corporation's and its subsidiaries' success in anticipating and managing the foregoing factors.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect any of the Corporation's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not place undue reliance on forward-looking statements.

Other than as specifically required by applicable Canadian law, the Corporation undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties of the Corporation's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in the Prospectus and the documents incorporated by reference therein and herein, including the Annual MD&A, IGM's 2016 Annual Report and the Interim MD&A (each as defined below), filed with the securities regulatory authorities in Canada, available at [www.sedar.com](http://www.sedar.com).

## ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Torys LLP, counsel to the Agents, provided the shares of IGM remain listed on a “designated stock exchange” in Canada (as defined in the *Income Tax Act* (Canada) (together with the regulations thereunder, the “**Tax Act**”), which currently includes the Toronto Stock Exchange), the Debentures offered by this Prospectus Supplement, if issued on the date hereof, would be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a registered education savings plan (“**RESP**”), a registered disability savings plan (“**RDSP**”), a deferred profit sharing plan (other than a trust governed by a deferred profit sharing plan for which any of the employers is IGM or a person or partnership which does not deal with IGM at arm’s length within the meaning of the Tax Act) or a tax-free savings account (“**TFSA**”). Notwithstanding that the Debentures may be qualified investments for a trust governed by a TFSA, RRSP or RRIF, the holder of the TFSA or the annuitant under the RRSP or RRIF, as the case may be, will be subject to a penalty tax in respect of such Debentures if such Debentures are “prohibited investments” for the TFSA, RRSP or RRIF, as the case may be. A Debenture will generally not be a “prohibited investment” for a TFSA, RRSP or RRIF provided the holder of the TFSA or the annuitant under the RRSP or RRIF, as the case may be, deals at arm’s length with IGM for purposes of the Tax Act and does not have a “significant interest” in IGM for purposes of the prohibited investment rules in the Tax Act. Pursuant to legislative proposals to amend the Tax Act, the rules in respect of “prohibited investments” are proposed to also apply to (i) RDSPs and the holders thereof and (ii) RESPs and the subscribers thereof. Holders of a TFSA or RDSP, annuitants under an RRSP or RRIF, and subscribers of an RESP should consult their own tax advisors as to whether the Debentures will be a “prohibited investment” in their particular circumstances.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Prospectus, solely for the purpose of the Offering. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars thereof. The following documents filed with the various securities commissions or similar authorities in Canada are incorporated by reference into this Prospectus Supplement:

- (i) IGM’s annual information form dated March 16, 2017, which incorporates by reference portions of the annual report of IGM for the year ended December 31, 2016 (“**IGM’s 2016 Annual Report**”);
- (ii) IGM’s audited consolidated financial statements as at and for the years ended December 31, 2016 and December 31, 2015, together with the independent auditor’s report thereon;
- (iii) IGM’s management’s discussion and analysis of the operations and financial condition of IGM as at and for the year ended December 31, 2016 (the “**Annual MD&A**”);
- (iv) IGM’s unaudited interim condensed consolidated financial statements as at September 30, 2017 and for the three and nine months ended September 30, 2017 and September 30, 2016 (the “**Interim Financial Statements**”);
- (v) IGM’s management’s discussion and analysis of the operations and financial condition of IGM as at and for the three and nine months ended September 30, 2017 (the “**Interim MD&A**”);
- (vi) IGM’s management proxy circular dated February 24, 2017 regarding IGM’s meeting of shareholders held on May 5, 2017;
- (vii) IGM’s material change report dated January 5, 2017 with respect to the Acquisitions (as defined below); and
- (viii) the indicative and final template versions of the term sheet in respect of the Debentures dated December 5, 2017 (the “**Term Sheet**”).

Any documents of the types referred to in the preceding paragraphs (i) through (viii) (other than confidential material change reports, if any), as well as all business acquisition reports, any news release issued by IGM that specifically states that it is to be incorporated by reference in the Prospectus for purposes of the Offering and other documents disclosing additional information as may be required to be incorporated by reference herein under applicable securities laws, which are filed by the Corporation with the securities regulatory authorities in any of the provinces and territories of Canada after the date of this Prospectus Supplement and prior to the termination of the distribution of the Offering shall be deemed to be incorporated by reference into this Prospectus Supplement.

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

### MARKETING MATERIALS

The Term Sheet is referred to as the “**Marketing Materials**”. The Marketing Materials are not part of this Prospectus Supplement or the Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus Supplement or any amendment thereof. Any “template version” of “marketing materials” (each as defined in National Instrument 41-101 – *General Prospectus Requirements* (“**NI 41-101**”) filed with the securities commission or similar authority in each of the provinces and territories of Canada in connection with this Offering after the date hereof but prior to the termination of distribution of the Debentures under this Prospectus Supplement (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference herein and in the Prospectus.

### RECENT DEVELOPMENTS

On August 31, 2017, IGM announced that its subsidiary, Mackenzie Financial Corporation (“**Mackenzie Investments**”), finalized its acquisition, in two separate transactions, of a 13.9% equity interest in China Asset Management Co., Ltd. for a total cost of \$637.6 million (the “**Acquisitions**”).

On October 19, 2017, IGM announced the joining of the investment management functions of Investors Group Inc. (“**Investors Group**”) and Mackenzie Investments to form a single global investment management organization to support both companies.

On November 14, 2017, IGM announced the implementation of initiatives to assist in its operational effectiveness. These efforts will result in a one-time charge to IGM of approximately \$118 million after-tax, or \$160 million pre-tax, which equates to \$0.49 per share after-tax, during the fourth quarter of 2017. A number of initiatives were announced to support IGM’s efforts, including expanding the IGM shared services model beyond the joining of Investors Group and Mackenzie Investment’s investment management functions to further include areas from marketing, human resources, customer services and other operational teams.

On November 21, 2017, IGM announced the retirement of Kevin Regan, the Executive Vice-President, Finance and Chief Financial Officer of IGM, and the appointment of Luke Gould, currently Senior Vice-President, Finance and Chief Financial Officer for both Investors Group and Mackenzie Investments, as Executive Vice-President and Chief Financial Officer of IGM effective January 1, 2018.

## CONSOLIDATED CAPITALIZATION

Since September 30, 2017, the date of the Interim Financial Statements, other than the issuance of the Debentures pursuant to this Prospectus Supplement, there have been no material changes to the consolidated capitalization of IGM.

## USE OF PROCEEDS

The net proceeds from the sale of the Debentures under this Prospectus Supplement are estimated to be approximately \$248,150,000, after deduction of the Agents' fee and the estimated expenses of the Offering. The Agents' fee and the expenses of the Offering will be paid out of the gross proceeds of the Offering.

The net proceeds from the sale of the Debentures under this Prospectus Supplement will be used by IGM to repay upcoming long-term debt maturities and for general corporate purposes.

## PLAN OF DISTRIBUTION

Under an agency agreement (the "**Agency Agreement**") dated December 5, 2017 between IGM and the Agents, the Agents have agreed to offer for sale, as Agents of IGM, on a best efforts basis, if, as and when issued by IGM, up to \$250,000,000 aggregate principal amount of Debentures at a price of \$1,000 plus accrued interest, if any, from December 7, 2017 to the date of delivery, payable in cash against delivery of the Debentures. The Offering is anticipated to close on December 7, 2017, or such later date as may be agreed upon by IGM and the Agents, but not later than December 15, 2017, subject to the terms and conditions contained in the Agency Agreement.

The Agency Agreement provides that the Agents will be paid an agency fee of \$5.00 per \$1,000 principal amount of Debentures sold, being an aggregate fee of \$1,250,000 on account of their services rendered in connection with the Offering. The obligations of the Agents under the Agency Agreement may be terminated at the Agents' discretion upon the occurrence of certain stated events.

While the Agents have agreed to use their best efforts to sell the Debentures offered hereby, they are not obligated to purchase any Debentures which are not sold. Assuming that all of the Debentures contemplated in the Offering are sold, the net proceeds of the Offering, after deducting the Agents' aggregate fee of \$1,250,000 and the expenses of the Offering estimated at \$600,000, are estimated to be approximately \$248,150,000. See "*Use of Proceeds*".

**There is no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures and the extent of issuer regulation. See "*Risk Factors*".**

The Agents may not, through the period of distribution, bid for or purchase the Debentures. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Debentures. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for an on behalf of a customer when the order was not solicited during the period of distribution.

The Agents are entitled under the Agency Agreement to indemnification by IGM against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments that they may be required to make in respect thereof.

Under the Agency Agreement, IGM has agreed that neither it nor any of its subsidiaries will, without the prior written consent of the Agents, such consent not to be unreasonably withheld, authorize, issue or sell any notes, debentures or other debt securities of IGM or such subsidiaries, other than the Debentures, or agree to do so or publicly announce any intention to do so, at any time prior to 60 days after the date of the Agency Agreement.

The Debentures have not been and will not be registered under the U.S. Securities Act or any state securities laws. Accordingly, the Debentures may not be offered, sold or delivered in the United States or to or for the benefit of U.S. Persons and this Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States.

### **EARNINGS COVERAGE RATIOS**

IGM's annualized interest requirements on its long-term debt, after giving effect to the issue of the Debentures, the issue in January 2017 of \$400 million aggregate principal amount of 3.44% debentures due January 26, 2027 and \$200 million aggregate principal amount of 4.56% debentures due January 25, 2047 and the upcoming repayment of \$150,000,000 principal amount of debentures due March 7, 2018 upon maturity, amounted to \$115.5 million and \$115.5 million for the twelve months ended December 31, 2016 and the twelve months ended September 30, 2017, respectively.

IGM's earnings before interest and income tax for the twelve months ended December 31, 2016 and September 30, 2017 were \$1,039.1 million and \$1,088.6 million, respectively, which is 9.0 times and 9.4 times IGM's annualized interest requirements on its long-term debt for the respective periods.

### **DETAILS OF THE OFFERING**

The following is a summary of certain of the material attributes and characteristics of the Debentures offered hereby, which does not purport to be complete. For full particulars, reference is made to the Indenture and the Supplemental Indenture (each, as defined below). The Indenture, as supplemented by the Supplemental Indenture, is referred to herein as the "**Trust Indenture**". A copy of the Trust Indenture may be obtained from the Secretary of IGM and will also be available electronically at [www.sedar.com](http://www.sedar.com).

#### **General**

The Debentures offered hereby will be issued under and pursuant to the provisions of a trust indenture as amended and supplemented from time to time (the "**Indenture**") dated as of May 9, 2001 between IGM and Computershare Trust Company of Canada, as trustee (the "**Trustee**"). The tenth supplemental trust indenture to the Indenture (the "**Supplemental Indenture**") to be dated as of the closing date of the Offering will provide for the creation and issuance of the Debentures.

The Debentures will be issued in \$1,000 denominations initially issued for a purchase price of \$1,000 for each \$1,000 principal amount of Debentures, will be dated December 7, 2017, will bear interest at the rate of 4.115% per annum, payable in semi-annual instalments on June 9 and December 9 in each year with the first payment of interest due on June 9, 2018 and will mature on December 9, 2047. Assuming a closing date of the Offering of December 7, 2017, the initial interest payment on June 9, 2018 will be \$20.80047945 per \$1,000 principal amount of the Debentures.

#### **Depository Services**

Except as otherwise provided below, the Debentures will be issued in "book-entry only" form and must be purchased, transferred or redeemed through participants ("**Participants**") in the depository service of CDS or its nominee. Each of the Agents is a Participant. On the closing of the Offering, IGM will cause a global certificate or certificates representing the Debentures to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Debentures will be entitled to a certificate or other instrument from IGM or CDS evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Debentures will receive a customer confirmation of purchase from the registered dealer from which the Debentures are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Debentures. Reference in this Prospectus Supplement to a holder of Debentures (a "**Debentureholder**") means, unless the context otherwise requires, the owner of the beneficial interest in the Debentures.

If IGM determines that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Debentures and IGM or the Trustee is unable to locate a qualified successor, or IGM at its option elects, or is required by law, to terminate the book-entry system, then Debentures will be issued in fully registered form to Debentureholders or their nominees.

### **Transfers**

Transfers of ownership in Debentures will be effected through the records maintained by CDS or its nominee for such Debentures with respect to interests of Participants and on the records of Participants with respect to interests of persons other than Participants. Debentureholders who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in such Debentures, may do so only through Participants. The ability of a Debentureholder to pledge a Debenture or otherwise take action with respect to such Debentureholder's interests in a Debenture (other than through a Participant) may be limited due to the lack of a physical certificate.

### **Ranking**

The Debentures will be direct and unsecured obligations of IGM and will rank *pari passu* with all existing or future unsecured and unsubordinated indebtedness of IGM.

### **Covenants**

The Supplemental Indenture will contain covenants substantially to the following effect, in addition to those prescribed in the Indenture:

1. IGM will not, and will not permit any Specified Issuer Affiliate (as defined below) to, directly or indirectly, create, assume or suffer to exist any Security Interest (as defined below) unless at the same time it shall, in the opinion of counsel, secure equally and rateably with such obligations all of the Debentures then outstanding by the same instrument or by other instrument in form and substance satisfactory to such counsel; provided that this shall not apply to Permitted Encumbrances (as defined below); and
2. IGM will not merge, amalgamate or consolidate with or into any other corporation or liquidate, wind-up or dissolve itself (or suffer any liquidation, winding-up or dissolution or any proceedings therefor), or continue itself under the laws of any other statute or jurisdiction, or sell, convey or dispose of, in one transaction or a series of transactions, and whether at the same time or over a period of time, all or substantially all of its assets to any other person unless (a) either IGM is the continuing or successor company following such merger or sale, or the continuing or successor company, if other than IGM, is a corporation existing under the laws of Canada or any province thereof, and by supplemental indenture assumes all of the obligations of IGM under the Trust Indenture, and (b) after giving effect to such transaction, no Event of Default (as defined below), and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing under the Trust Indenture.

### **Repurchase Upon Change of Control Triggering Event**

If a Change of Control Triggering Event (as defined below) occurs with respect to a series of Debentures, unless the Corporation has exercised its optional right to redeem all of the Debentures of that series, the Corporation will be required to make an offer to repurchase all or, at the option of each Debentureholder of that series, any part (equal to \$1,000 or an integral multiple thereof) of each Debentureholder's Debentures of that series pursuant to the offer described below (the "**Change of Control Offer**"), at a purchase price payable in cash equal to 101% of the outstanding principal amount of Debentures of the series to be repurchased together with accrued and unpaid interest on such series of Debentures, if any, to the date of purchase.

Within 30 days following any Change of Control Triggering Event, the Corporation will be required to give written notice to Debentureholders of the applicable series describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the Debentures of the applicable series on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the

date such notice is given. The Corporation must comply with the requirements of applicable securities laws and regulations in connection with the repurchase of the Debentures of the applicable series as a result of a Change of Control Triggering Event. To the extent that the provisions of any such applicable securities laws and regulations conflict with the provisions described in the applicable Supplemental Indenture relating to a Change of Control (as defined below), the Corporation will be required to comply with such laws and regulations and will not be deemed to have breached its obligations to repurchase such series of Debentures by virtue of such conflict.

The Corporation will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes such an offer substantially in the manner, at the times and in compliance with the requirements for a Change of Control Offer (and for at least the same purchase price payable in cash) and such third party purchases all Debentures of such series properly tendered and not withdrawn under its offer.

### **Events of Default**

The Trust Indenture provides that an “Event of Default” in respect of the Debentures will occur upon:

- (a) IGM’s failure to pay any principal of or premium on the Debentures when due;
- (b) IGM’s failure to pay any interest on the Debentures when due, which default continues for a period of 30 days;
- (c) IGM’s failure to perform or observe any other covenant or agreement of IGM under the Trust Indenture, any supplemental indenture thereto or the Debentures and the continuance of such default for a period of 60 days after written notice thereof to IGM by the Trustee;
- (d) the failure by IGM or any Specified Issuer Affiliate whether as primary obligor or guarantor, to pay any Indebtedness (as defined below) exceeding \$50 million in the aggregate;
- (e) the failure by IGM or any Specified Issuer Affiliate to perform any term, covenant, condition, or provision applicable to any Indebtedness and such failure results in acceleration of the maturity of Indebtedness exceeding \$50 million in the aggregate;
- (f) certain events of insolvency or bankruptcy; or
- (g) failure to correct, within 60 days of receipt of written notice therefor, if capable of correction with respect to presently-existing facts or circumstances, a representation or warranty made by the Corporation under the Trust Indenture, any supplemental indenture thereto or the Debentures which was incorrect at the time it was made.

If an Event of Default has occurred and is continuing with respect to a particular series of Debentures, the Trustee may, in its discretion and shall, upon request of holders of not less than 25% of the principal amount of outstanding Debentures of such series and upon being indemnified against all costs, expenses and liabilities to be incurred, declare the principal of and interest on all outstanding Debentures of such series to be immediately due and payable and enforce such payment.

### **Interest**

Interest on the Debentures at a rate of 4.115% per annum will be payable semi-annually in arrears in equal instalments (except in respect of the initial interest payment) on June 9 and December 9 of each year, commencing on June 9, 2018 and continuing until December 9, 2047. The initial interest payment, payable on June 9, 2018 will be \$20.80047945 per \$1,000 principal amount of the Debentures. If any of the aforesaid dates upon which interest on the Debentures is payable is not a business day, such interest shall be payable on the next business day thereafter.

## **Redemption**

IGM may, at any time prior to June 9, 2047 at its option redeem a series of Debentures in whole or in part from time to time at a redemption price equal to the greater of the Canada Yield Price (as defined below) and par, together in each case with accrued and unpaid interest to, but excluding, the date fixed for redemption. IGM may, on or at any time after June 9, 2047, at its option redeem a series of Debentures in whole but not in part at par, together with accrued and unpaid interest to, but excluding, the date fixed for redemption. In cases of partial redemption, the Debentures to be redeemed will be selected by the Trustee *pro rata* or in such other manner as it shall deem appropriate. Any Debentures offered hereby that are redeemed by IGM will be cancelled and will not be reissued.

Notice of redemption will be given not less than 30 nor more than 60 days prior to the redemption date to the registered holder.

For purposes of the foregoing provisions in respect of the Debentures, the following terms will be defined in the Supplemental Indenture substantially as follows:

**“Canada Yield Price”** on any redemption day means a price which, if the Debentures were to be issued at such price on such date, would provide a yield thereon from such date to June 9, 2047, equal to the Government of Canada Yield, plus 47.5 basis points per annum, compounded semi-annually and calculated on the day that is three business days prior to the date of redemption.

**“Government of Canada Yield”** on any date means the average of the mid-market yields to maturity on such date provided by two independent investment dealers selected by IGM and approved by the Trustee, assuming semi-annual compounding, which an issue of non-callable Government of Canada bonds would produce if issued at par on such date, in Canadian dollars in Canada, with a term to maturity equal to the remaining term to June 9, 2047.

## **Open Market Purchases**

IGM has the right at any time to purchase Debentures in the market or by tender or by private contract at any price. All Debentures that are purchased by IGM will be cancelled and will not be reissued.

## **Modification**

The Trust Indenture and the rights of Debentureholders may, in certain circumstances, be modified. For that purpose, the Trust Indenture contains provisions making “Holder Directions” binding upon Debentureholders, either on a series by series basis or in respect of all of the holders of more than one series of debentures issued under the Trust Indenture. A “Holder Direction” is defined, in respect of an action involving more than one series of debentures issued under the Trust Indenture, as a resolution approving such action passed by the affirmative vote of the holders of not less than two-thirds of the unpaid aggregate principal amount of all such series or an approval in writing of the holders of not less than two-thirds of the unpaid aggregate principal amount of all such series. A “Holder Direction” is defined, in respect of an action involving one series of debentures issued under the Trust Indenture, as a resolution approving such action passed by the affirmative vote of the holders of not less than two-thirds of the unpaid principal amount of that series or an approval in writing of the holders of not less than two-thirds of the unpaid principal amount of that series.

## **Defeasance**

The Trust Indenture contains provisions requiring the Trustee to release the Corporation from its obligations under the Indenture and the Supplemental Indenture, as applicable, provided that (i) the Corporation satisfies the Trustee that it has irrevocably deposited funds or made due provision for the payment of the fees and expenses of the Trustee and for payment of all principal and interest and other amounts due or to become due on the Debentures, (ii) the Corporation delivers to the Trustee an opinion of counsel acceptable to the Trustee to the effect that the Debentureholders (resident in Canada for purposes of the Tax Act) will not be subject to any Canadian tax as a result of the exercise by the Corporation of its defeasance option and that they will thereafter be subject to Canadian taxes on income (including taxable capital gains) in the same amount, in the same manner and at the same time or times as would have been the case if such option had not been exercised, (iii) no Event of Default at the time

of the deposit of funds by the Corporation and certain events of insolvency or bankruptcy have not occurred after the date of deposit and prior to the defeasance, and (iv) other conditions specified in the Trust Indenture are satisfied.

## Definitions

“**acting jointly or in concert**” has the meaning ascribed in NI 62-104.

“**affiliate**” has the meaning ascribed in NI 62-104.

“**control**” has the meaning ascribed in NI 62-104.

“**Change of Control**” means (i) the sale of all or substantially all of the Corporation’s assets, other than any such sale to its subsidiaries or affiliates or any of their respective successors, or (ii) the acquisition by any person, or group of persons acting jointly or in concert, of control or direct or indirect beneficial ownership of more than 50% of the votes attaching to the shares of the Corporation that ordinarily have voting power for the election of directors of the Corporation, provided that a Change of Control shall be deemed not to have taken place under this subparagraph (ii) if, following such acquisition, the Corporation remains a subsidiary of Power Corporation of Canada or of Power Financial Corporation.

“**Change of Control Triggering Event**” means the occurrence of both a Change of Control and a Rating Event.

“**DBRS**” means DBRS Limited and its successors.

“**Indebtedness**” means, with respect to any person, (i) all indebtedness of such person for borrowed money and all liabilities of such person to pay money, whether originally incurred or subsequently assumed, and whether or not evidenced by notes, debentures or other like written instruments, and (ii) all indebtedness and liabilities of the nature referred to in the preceding clause (i) of any other person which such person has guaranteed.

“**Investment Certificate**” means any contract, agreement, certificate, instrument, or writing containing an undertaking by a corporation making, issuing or guaranteeing it to pay to the holder thereof, or such holder’s assignee or personal representative, or other person, a stated or determinable maturity value in cash or its equivalent on a fixed or determinable date and containing optional settlement, cash surrender or loan values prior to or after maturity, the consideration for which consists of payments made or to be made to the corporation in instalments or periodically, or of a single sum, according to a plan fixed by the contract regardless of whether the holder is or may be entitled to share in the profits or earnings of, or to receive additional credits or sums from, the corporation.

“**Investment Grade Rating**” means a rating equal to or higher than BBB- (or the equivalent of any successor rating category of S&P) by S&P, BBB (low) (or the equivalent of any successor rating category of DBRS) by DBRS, or the equivalent investment grade credit rating from any other Specified Rating Agency.

“**Moody’s**” means Moody’s Investor Service, Inc. and its successors.

“**NI 62-104**” means National Instrument 62-104 *Take-Over Bids and Issuer Bids*.

“**Permitted Encumbrances**” shall mean, with respect to a series of debentures issued under the Trust Indenture, Security Interests on the property of the Corporation or any Wholly-Owned Subsidiary for such series which are:

- (a) Security Interests for taxes, assessments, governmental charges arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested and for which a reserve or other appropriate provision, if any, as shall be required in conformity with Canadian generally accepted accounting principles shall have been made;

- (b) statutory Security Interests of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen or other similar Security Interests arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested and for which a reserve or other appropriate provision, if any, as shall be required in conformity with Canadian generally accepted accounting principles shall have been made;
- (c) Security Interests incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;
- (d) Purchase Money Liens;
- (e) Security Interests in favour of the Corporation or any Wholly-Owned Subsidiary;
- (f) Security Interests arising in the ordinary course of business in favour of any bank or other lender to secure any Indebtedness of the Corporation or any Wholly-Owned Subsidiary;
- (g) any Security Interest existing on any property of a corporation at the time that such corporation is acquired by the Corporation or any Wholly-Owned Subsidiary for such series and becomes a Wholly-Owned Subsidiary for such series, provided that such Security Interest was not incurred in contemplation of or as a result of such acquisition;
- (h) any Security Interest existing on any property acquired by the Corporation or any Wholly-Owned Subsidiary for such series and becomes a Wholly-Owned Subsidiary for such series, provided that such Security Interest was not incurred in contemplation of or as a result of such acquisition;
- (i) any Security Interest to secure any Investment Certificate issued by the Corporation or such Wholly-Owned Subsidiary in the normal course of business; and
- (j) any extension, renewal, alteration or substitution or replacement of any Security Interest mentioned above provided that it is not extended thereby to any additional property and the principal amount secured thereby is not increased.

“**Purchase Money Lien**” means any Security Interest on property acquired by the Corporation or by any Wholly-Owned Subsidiary which was assumed, created, guaranteed, reserved, issued or given to secure or satisfy all or any part of the acquisition price of such property.

“**Rating Event**” means the rating on the Debentures is lowered to below an Investment Grade Rating by each of the Specified Rating Agencies, if there are less than three Specified Rating Agencies, or by two out of three of the Specified Rating Agencies, if there are three Specified Rating Agencies (the “**Required Threshold**”), on any day within the 60-day period (which 60-day period will be extended so long as the rating of the Debentures is under publicly announced consideration for a possible downgrade by such number of the Specified Rating Agencies which, together with Specified Rating Agencies which have already lowered their ratings on the Debentures as aforesaid, would aggregate in number the Required Threshold, but only to the extent that, and for so long as, a Change of Control Triggering Event would result if such downgrade were to occur) after the earlier of (a) the occurrence of a Change of Control and (b) public notice of the occurrence of a Change of Control or of the Corporation's intention or agreement to effect a Change of Control.

“**S&P**” means S&P Global Ratings, acting through Standard & Poor's Financial Services LLC and its successors.

“**Security Interest**” means, for any person, any assignment, security interest, mortgage, charge (whether fixed or floating), hypothec, pledge, lien or other encumbrance on or interest in property that secures payment of any Indebtedness of such person, or secures any other item which in accordance with Canadian generally accepted accounting principles would be included as a liability on the liability side of the balance sheet of such person, or secures any contingent liability of such person.

**“Specified Issuer Affiliate”** means, with respect to a series of debt securities issued by IGM pursuant to the Trust Indenture, those persons, if any, identified in or determined pursuant to the related series supplemental trust indenture as Specified Issuer Affiliates for such series. The Supplemental Indenture will designate Wholly-Owned Subsidiaries as Specified Issuer Affiliates.

**“Specified Rating Agencies”** means each of S&P and DBRS and, if a rating of the Debentures is obtained from Moody’s shall also include Moody’s, as long as, in each case, such entity has not ceased to rate the Debentures or failed to make a rating of the Debentures publicly available for reasons outside of the Corporation’s control; provided that if one or more of DBRS, S&P or Moody’s, as applicable, ceases to rate the Debentures or fails to make a rating of the Debentures publicly available for reasons outside of the Corporation’s control, the Corporation may select any other “designated rating organization” within the meaning of NI 41-101 of the Canadian Securities Administrators as a replacement agency for such one or more of them, as the case may be.

**“subsidiary”** has the meaning ascribed in NI 62-104.

**“Wholly-Owned Subsidiary”** means, at any time, any body corporate of which all of the outstanding shares carrying voting rights at all times, other than shares owned by directors, officers and employees of the Corporation, (provided that the ownership of such shares confers the right at all times to elect at least a majority of the board of directors of such body corporate) are then owned by or held for the Corporation and/or other body corporate in like relation to the Corporation, and includes any body corporate in like relation to a Wholly-Owned Subsidiary.

## CREDIT RATINGS

The Debentures have received a provisional rating of A (High) with a “Stable” trend from DBRS. The “A (High)” rating to be assigned to the Debentures represents the fifth highest of the twenty-six ratings used by DBRS for long-term debt. Under the DBRS long-term rating scale, debt securities rated A (High) are of good credit quality and the capacity for the payment of financial obligations is substantial. While this is a favourable rating, entities in the A (High) category may be vulnerable to future events, but qualifying negative factors are considered manageable. A reference to “high” or “low” reflects the relative strength within the rating category, while the absence of either a “high” or “low” designation indicates the rating is placed in the middle category. According to DBRS, the “Stable” rating trend helps give investors an understanding of DBRS’s opinion regarding the outlook for the rating.

The Debentures have also received a provisional rating of A with a “Stable” outlook from S&P. The “A” rating to be assigned to the Debentures is the sixth highest of the twenty-two ratings used for long-term debt and indicates S&P’s view that the Corporation’s capacity to meet its financial commitment on the obligation is strong, but the obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. S&P uses “+” or “-” designations to indicate the relative standing of securities within a particular ratings category. According to S&P, the “Stable” rating outlook means that S&P considers that the rating is unlikely to change over the intermediate term.

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. These ratings are not a recommendation to buy, sell or hold securities and do not address market price or 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 and are subject to revision or withdrawal at any time by the rating organization.

The Corporation has paid customary rating fees to DBRS and S&P in connection with the above-mentioned ratings and will continue to make such payments to DBRS and S&P in the ordinary course from time to time in connection with the confirmation of such ratings and future offerings of certain debt securities of the Corporation, if any. Other than in the ordinary course of business, in the past two years, the Corporation did not make any payments to DBRS in respect of any other services provided by DBRS to the Corporation. The Corporation has made customary payments in respect of certain other services provided to the Corporation by S&P during the past two years.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to IGM, and Torys LLP, counsel to the Agents, the following is a general summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a holder of the Debentures acquired as beneficial owner hereunder who, at all relevant times, for the purposes of the Tax Act, holds such Debentures as capital property, deals at arm's length with IGM and is not affiliated with IGM (a "**Holder**"). For the purposes of the Tax Act, related persons (as defined in the Tax Act) are deemed not to deal at arm's length, and it is a question of fact whether persons not related to each other deal at arm's length. Generally the Debentures will be capital property to a Holder provided the Holder does not acquire or hold the Debentures in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

Debentures held by "financial institutions" (as defined in section 142.2 of the Tax Act) will generally not be capital property to such holders and will generally be subject to special rules contained in the Tax Act. This summary does not take into account these special rules and holders to whom these rules may be relevant should consult their own tax advisors. This summary is also not applicable to (i) a Holder an interest in which is a "tax shelter investment" (as defined in the Tax Act), (ii) a Holder that has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency, and (iii) a Holder that has entered or will enter into a "derivative forward agreement" (as defined in the Tax Act) in respect of Debentures. Such Holders should consult with their own tax advisors. This summary is based on the current provisions of the Tax Act and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") made publicly available prior to the date hereof.

This summary also takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (collectively, the "**Proposed Tax Amendments**"). No assurances can be given that the Proposed Tax Amendments will be enacted or will be enacted as proposed. Other than the Proposed Tax Amendments, this summary does not take into account or anticipate any changes in law or the administrative policies or assessing practices of the CRA, whether by judicial, legislative, governmental or administrative decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder and no representations with respect to the income tax consequences to any particular holder are made. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective investors in the Debentures should consult their own tax advisors with respect to their own particular circumstances.

### **Residents of Canada**

The following portion of the summary is generally applicable to a Holder who, at all relevant times, for the purposes of the Tax Act, is or is deemed to be resident in Canada (a "**Resident Holder**"). A Resident Holder whose Debentures might not otherwise qualify as capital property may be entitled to make the irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Debentures and every other "Canadian security", as defined in the Tax Act, owned by such Resident Holder in the taxation year in which the election is made, and in all subsequent taxation years, to be capital property. Resident Holders whose Debentures might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement, and this summary does not consider the implications of the announcement. On October 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments, subject to further developments to address concerns of business owners, the details of which are not yet available. Resident Holders that are private corporations should consult their own tax advisors.

### *Taxation of Interest on the Debentures*

A Resident Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on a Debenture that accrues or is deemed to accrue to the Resident Holder to the end of that taxation year, or becomes receivable or is received by the Resident Holder before the end of that taxation year, except to the extent that such amount was included in the Resident Holder's income for a preceding taxation year. Any other Resident Holder, including an individual (other than certain trusts), will be required to include in computing its income for a taxation year any interest on a Debenture that is received or receivable by such Resident Holder in that year (depending upon the method regularly followed by the Resident Holder in computing income), to the extent that such amount was not otherwise included in the Resident Holder's income for a preceding taxation year.

A Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable for a refundable tax on certain investment income. For this purpose, investment income will generally include interest income.

On an assignment or other transfer of a Debenture, including a redemption, a payment on maturity, or a purchase for cancellation, a Resident Holder will generally also be required to include in income the amount of interest accrued on the Debenture from the date of the last interest payment to the date of assignment or other transfer to the extent that such amount has not otherwise been included in the Resident Holder's income for the taxation year or a preceding taxation year.

In addition, any premium paid by IGM to a Resident Holder as a penalty or bonus on the redemption, purchase for cancellation or other repayment before maturity of the relevant Debentures will generally be deemed to be interest received by a Resident Holder at the time of the redemption, purchase for cancellation or other repayment and will be required to be included in computing the Resident Holder's income as described above to the extent that it can reasonably be considered to relate to, and does not exceed the value at the time of the redemption, purchase for cancellation or other repayment of, the interest that would have been paid or payable by IGM on the Debenture for a taxation year ending after the redemption, purchase for cancellation or other repayment.

### *Disposition of Debentures*

In general, a disposition or deemed disposition of a Debenture, including a redemption, payment on maturity or purchase for cancellation, will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any accrued interest and any amounts included in the Resident Holder's income on such disposition or deemed disposition as interest, exceed (or are exceeded by) the sum of the adjusted cost base of the Debenture to the Resident Holder immediately before the disposition or deemed disposition and any reasonable costs of disposition.

One-half of the amount of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year generally must be included in the Resident Holder's income in that year, and, subject to and in accordance with the provisions of the Tax Act, one half of the amount of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year generally must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act. A capital gain realized by an individual or a trust (other than certain trusts) may give rise to a liability for alternative minimum tax. As discussed above, a Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable for an additional refundable tax on certain investment income. For this purpose, investment income will generally include taxable capital gains.

### **Non-Residents of Canada**

The following portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act (i) is not, and is not deemed to be, a resident of Canada (including as a consequence of an applicable income tax treaty or convention), (ii) has not used or held and will not use or hold or be deemed to use or

hold the Debentures in or in the course of carrying on business in Canada, (iii) deals at arm's length with any person resident in Canada to whom the Holder assigns or otherwise transfers a Debenture and (iv) is entitled to receive all payments made in respect of the Debentures (including all principal and interest) (a "**Non-Resident**"). Special rules, which are not discussed below, may apply to a non-resident of Canada that is an "authorized foreign bank", or that is an insurer which carries on business in Canada and elsewhere. The following summary is also not applicable to a Non-Resident that is a "specified shareholder" (as defined in subsection 18(5) the Tax Act) of the Corporation, or that does not deal at arm's length for purposes of the Tax Act with such a "specified shareholder" of the Corporation. Such Non-Residents should consult their own tax advisors. Generally, for this purpose, a "specified shareholder" is a person that owns or is deemed to own, either alone or together with persons with whom the shareholder does not deal at arm's length for purposes of the Tax Act, shares of the Corporation's capital stock that either (a) give the holders of such shares 25% or more of the votes that could be cast at an annual meeting of the shareholders or (b) have a fair market value of 25% or more of the fair market value of all of the issued and outstanding shares of the Corporation's capital stock.

Amounts which are, or are deemed to be, interest for purposes of the Tax Act paid or credited, or deemed to be paid or credited, by the Corporation on the Debentures to a Non-Resident will not be subject to non-resident withholding tax, and no non-resident withholding tax will apply to the proceeds received by a Non-Resident on a disposition of a Debenture.

No other tax on income or gains will be payable by a Non-Resident on interest, principal, or premium or on the proceeds received by a Non-Resident on the disposition of a Debenture.

## **RISK FACTORS**

Before deciding whether to invest in any Debentures, investors should consider carefully the risks set out in the documents incorporated by reference in this Prospectus Supplement, including the risks disclosed under the headings "Financial Risk", "Operational Risk", "Governance, Oversight and Strategic Risk", "Regulatory Developments", "Business Risk" and "Environmental Risk" on pages 57-66 of IGM's 2016 Annual Report, which disclosure includes discussions concerning liquidity and funding risk, credit risk, risks related to cash and cash equivalents, IGM's mortgage portfolio and derivatives, market risk, interest rate risk, equity price risk, foreign exchange risk, risks related to assets under management, operational risk, model risk, legal and regulatory compliance risk, risks related to contingencies, acquisition risk, risks related to regulatory developments including the client relationship model and point of sale, best interest standards, targeted reforms and mutual fund fees and the proposed cooperative capital markets regulatory system, risks related to general business conditions, product/service offering and business/client relationships, people risk and environmental risk, and all subsequently filed documents incorporated by reference.

There are certain risks inherent in the activities of IGM and an investment in the Debentures, including the following, which investors should consider carefully before investing in the Debentures. This description of risks does not include all possible risks, and there may be other risks of which IGM is not currently aware.

### *Holding Company*

IGM is a holding company that holds interests in the personal financial services industry through its ownership of Investors Group, Mackenzie Investments and Investment Planning Counsel Inc. As a result, investors in IGM are subject to the risks that IGM has as shareholder of each of its subsidiaries. As a holding company, IGM's ability to pay interest and other operating expenses and dividends and to meet its obligations generally depends upon receipt of sufficient funds from its principal subsidiaries and other investments and its ability to raise additional capital. The likelihood that Debentureholders will receive interest or principal will be dependent upon the financial position and creditworthiness of the principal subsidiaries of IGM. To the extent a subsidiary has or incurs indebtedness with a third party, the Debentureholders will effectively be subordinated to the claims of the holders of such third party indebtedness, including in the event of liquidation or upon a realization of the assets of any such subsidiary.

### *Legal and Regulatory Compliance Risk*

The Corporation and its subsidiaries are subject to various regulatory requirements imposed by legislation and regulation in Canada and other jurisdictions applicable to companies providing financial services. The Corporation and its subsidiaries are also subject to reviews as part of the normal ongoing process of oversight by various regulators. Material changes in the regulatory framework or the failure to comply with laws, rules or regulations could lead to regulatory sanctions and civil liability, and may have an adverse reputation or financial effect on the Corporation.

### *Changes in Creditworthiness or Credit Ratings*

The credit ratings assigned to the Debentures by DBRS and S&P are not a recommendation to buy, hold or sell the Debentures. A rating is not a comment on the market price of a security nor is it an assessment of ownership given various investment objectives. There is no assurance that any rating will remain in effect for any given period of time and ratings may be upgraded, downgraded, placed under review, confirmed and discontinued by either or both of DBRS and S&P at any time. Real or anticipated lowering or withdrawal of credit ratings of the Debentures may adversely affect the market price or value and the liquidity of the Debentures. In addition, real or anticipated changes in credit ratings can affect the cost at which IGM can access the capital markets. See “*Credit Ratings*”.

### *Coverage Ratios*

IGM may be unable to pay interest or principal on the Debentures when due. In order to assess this risk, please see “*Earnings Coverage Ratios*”.

### *Market Value Risk*

Prevailing interest rates will affect the market value of the Debentures. Assuming all other factors remain unchanged, the market price or value of the Debentures, which carry a fixed interest rate, will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

### *Ranking of the Debentures*

The Debentures will not be secured by any of IGM’s assets. Therefore, holders of secured indebtedness would have a claim on the assets securing such indebtedness that effectively ranks prior to the claim of Debentureholders and would have a claim that ranks equal with the claim of Debentureholders to the extent that such security did not satisfy the secured indebtedness. Furthermore, although covenants given by IGM in various agreements may restrict incurring secured indebtedness, such indebtedness may, subject to certain conditions, be incurred.

### *Trading Market for the Debentures and Trading Prices of the Debentures*

There is currently no market through which the Debentures may be sold and purchasers may not be able to resell Debentures purchased under this Prospectus Supplement. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures and the extent of issuer regulation. No assurance can be given as to whether an active trading market will develop or be maintained for the Debentures. To the extent that an active trading market for the Debentures does not develop, the liquidity and trading prices for the Debentures may be adversely affected. Whether or not the Debentures will trade at lower prices depends on many factors, including liquidity of the Debentures, prevailing interest rates and the markets for similar securities, general economic conditions and IGM’s financial condition and future prospects. Moreover, the Debentures will not be publicly listed for trading on any stock exchange. The Agents may, but are not obligated to, make a market for the Debentures, subject to applicable laws and regulations and any market making may be discontinued at any time.

### *Limit on Indebtedness*

The Indenture and the Supplemental Indenture do not limit the amount of Indebtedness IGM may incur.

### *Inability of IGM to Purchase Debentures upon a Change of Control Triggering Event*

IGM may be required to purchase all outstanding Debentures upon the occurrence of a Change of Control Triggering Event. However, it is possible that following a Change of Control Triggering Event, IGM will have insufficient funds at that time to make any required purchase of outstanding Debentures or that restrictions contained in other present or future indebtedness or agreements will restrict those purchases. IGM's failure to purchase the Debentures would constitute an Event of Default under the Indenture, which may also constitute a default under the terms of IGM's other indebtedness at that time. See "*Details of the Offering - Repurchase upon Change of Control Triggering Event*".

### *Redemption Prior to Maturity*

The Debentures may, at any time prior to June 9, 2047, be redeemed at the option of IGM in whole or in part from time to time or, on or at any time after June 9, 2047, be redeemed at the option of IGM in whole but not in part, subject to certain conditions for redemptions prior to the maturity date. Debentureholders whose Debentures are redeemed would not be entitled to participate in any future growth in the market price of the Debentures and may not be able to reinvest their redemption proceeds in securities providing a comparable expected rate of return to maturity as the Debentures for a comparable level of risk. See "*Details of the Offering*".

## **AUDITOR, TRUSTEE, TRANSFER AGENT AND REGISTRAR**

Deloitte LLP, Chartered Professional Accountants, are the auditors of the Corporation and are independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Manitoba.

The Trustee, transfer agent and registrar of the Debentures is Computershare Trust Company of Canada at its principal office in Calgary, Alberta.

## **LEGAL MATTERS**

Certain legal matters in connection with the issuance of the Debentures by this Prospectus Supplement will be passed upon at the date of closing of the Offering by Blake, Cassels & Graydon LLP on behalf of the Corporation and by Torys LLP on behalf of the Agents.

As of the date hereof, the partners and associates of Blake, Cassels & Graydon LLP, as a group, and Torys LLP, as a group, each beneficially own, directly or indirectly, less than 1% of the outstanding securities of IGM or any associated party or affiliate of IGM.

## **PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

**CERTIFICATE OF THE AGENTS**

Dated: December 5, 2017

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of all provinces and territories of Canada.

**BMO NESBITT BURNS INC.**

(Signed) Bradley J. Hardie

**TD SECURITIES INC.**

(Signed) Greg McDonald

**CIBC WORLD MARKETS  
INC.**

**NATIONAL BANK  
FINANCIAL INC.**

**RBC DOMINION  
SECURITIES INC.**

**SCOTIA CAPITAL INC.**

(Signed) Shannan Levere

(Signed) John Carrique

(Signed) Andrew Franklin

(Signed) Michael Lay

**CASGRAIN & COMPANY LIMITED**

**LAURENTIAN BANK SECURITIES INC.**

(Signed) Roger Casgrain

(Signed) Thomas Berky