

## CI FINANCIAL CORP.

### AUDIT AND RISK COMMITTEE CHARTER

As of November 10, 2020

#### **1. Purpose and Scope**

The Audit and Risk Committee (the “**Committee**” or the “**Audit Committee**”) of CI Financial Corp. (the “**Company**”) is a committee of the Board of Directors (the “**Board**”). The Committee shall oversee the accounting and financial reporting practices of the Company and the audits of the Company’s financial statements, as well as exercise the responsibilities and duties set out in this Charter.

#### **2. Membership**

##### *Number of Members*

The Committee shall be appointed by the Board and shall be comprised of at least three members of the Board. The Lead Director of the Board shall be an *ex officio* member of the Audit Committee, unless otherwise appointed to be member of the Committee.

##### *Independence of Members*

Each member of the Committee must be “independent” according to all applicable standards of independence under applicable laws, regulations, rules and stock exchange requirements or guidelines.

##### *Chair*

At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee’s compliance with this Charter, work with management to develop the Audit Committee’s annual work-plan, provide reports of the Audit Committee to the Board and fulfill all other responsibilities as enumerated in the Company’s Committee Chair Position Description.

##### *Financial Literacy of Members*

At the time of his or her appointment to the Committee, each member of the Committee shall be “financially literate”, or shall become “financially literate” within a reasonable time following appointment to the Committee, as such term is defined under applicable securities laws and stock exchange requirements and guidance. In addition, at least one member of the Committee must have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment.

##### *Term of Members*

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. If the Chair is not elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. The term of the Chair of the Committee shall be up to four years.

### **3. Meetings**

#### ***Number of Meetings***

The Committee shall meet at least quarterly and otherwise may meet as many times per year as necessary to carry out its responsibilities.

#### ***Quorum***

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

#### ***Calling of Meetings***

The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, the Chief Executive Officer, President or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

#### ***Minutes; Reporting to the Board***

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be available to the other members of the Board. However, the Chair shall report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

#### ***Attendance of Non-Members***

The external auditors are entitled to attend and be heard at each meeting of the Audit Committee. Other Board members are also entitled to attend meetings of the Audit Committee, with notice to the Chair. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with the internal auditor and management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

### ***Meetings without Management***

The Committee shall hold meetings, or portions of meetings, at which management is not present.

The Committee shall meet at least quarterly with the auditors without the presence of management.

### ***Access to Management***

The Committee shall have regular access to the Company's management and employees and the books and records of the Company.

### ***Consultation***

The Audit Committee shall have the authority to retain external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors without consulting or obtaining the approval of the Board or any Company officer. The Company shall provide appropriate funding, as determined by the Committee, for the services of these advisors. The Committee shall also be permitted to communicate directly with the internal audit staff of the Company and entities controlled by the Company (together, the "**Company Group**") (if any) and the auditors.

## **4. Duties and Responsibilities**

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by (i) any exchange upon which securities of the Company are traded, or (ii) any governmental or regulatory body exercising authority over the Company, in each case, as are in effect from time to time (collectively, the "**Applicable Requirements**") including the functions and responsibilities set out in applicable securities laws and stock exchange requirements and guidance .

### ***Financial Executives***

The Committee shall review and discuss with management and the Board the appointment and/or removal of the Chief Financial Officer and Chief Internal Auditor and recommend qualified candidates to the Board, as appropriate.

### ***Financial Reports***

#### **(a) General**

Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The auditors are responsible for

auditing the Company's annual consolidated financial statements and for reviewing the Company's unaudited interim financial statements. The Audit Committee is responsible for overseeing the Company's financial statements and financial disclosures.

**(b) Review of Annual Financial Reports**

Prior to public release, the Audit Committee shall review the annual consolidated audited financial statements of the Company, the auditors' report thereon and the related management's discussion and analysis of the Company's financial condition and results of operation ("MD&A"). At the Committee meeting at which the Company's annual statements are to be reviewed, the Committee shall meet, in person, with representatives of the auditors and with the Company management to obtain information regarding the annual statements and the results of the audit including, but not limited to information concerning:

1. the Company's disclosure controls and procedures and the Company's internal control over financial reporting;
2. accounting policies, judgments and estimates used by management;
3. areas of audit emphasis;
4. applicable regulatory compliance; and
5. independence of auditors.

After completing its review, if advisable, the Audit Committee shall approve, and recommend for Board approval, the annual financial statements and the related MD&A.

**(c) Review of Interim Financial Reports**

The Audit Committee shall review the interim consolidated financial statements of the Company, the auditors' review report thereon and the related MD&A. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the interim financial statements and the related MD&A. The review by the Committee shall be completed prior to the issuance of a press release respecting the interim financial results. The Committee shall meet, in person, with representatives of the auditors and with the Company management to obtain information regarding the interim statements and to discuss the results of their preparation and review. At each meeting, the Committee will request that the auditors communicate to the Committee their findings based on the interim procedures performed by the auditors. In addition, the Committee will request that the auditors communicate any findings which would modify or change the report provided by the auditors to the Committee in connection with the Company's last annual statements.

**(d) Review Considerations**

In addition to the procedures referred to above, when conducting its review of the annual financial statements or the interim financial statements, the Audit Committee may:

- (i) receive a report from internal legal counsel, as requested, regarding any litigation claim or other contingency that could have a material effect on the financial statements;
- (ii) review the status of accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
- (iii) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under International Financial Reporting Standards;
- (iv) review any material changes in accounting policies and any significant changes or developments in accounting practices, independence standards and reporting practices and their impact on the financial statements as presented by management;
- (v) review with management and the auditors any significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (vi) receive and review a report from management or internal audit on the effectiveness of financial disclosure procedures and internal controls over financial reporting;
- (vii) review any problems experienced by the auditors in performing the annual audit or quarterly procedures, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
- (viii) obtain an explanation from management of all significant variances between comparative reporting periods;
- (ix) review the post-audit or management letter, containing the recommendations of the auditors, and management's response and subsequent follow up to matters raised by the auditors;
- (x) review "whistleblowing" complaints received by Lead Director;
- (xi) review any other matters, related to the financial statements, that are brought forward by the auditors or management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements; and
- (xii) review interim and annual chief executive officer and chief financial officer certifications on financial statements and controls required by National Instrument 52-110 – *Audit Committees*.

(e) **Approval of Other Financial Disclosures**

Prior to public release, the Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing, or based upon, financial results of the Company and any other material financial disclosure, publicly disseminated, other than press releases regarding monthly sales.

*Annual Performance Evaluation*

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as the Governance, Human Resources, and Compensation Committee deems appropriate.

*Other*

The Audit Committee or the Chair shall be available to review with management and the auditors any material accounting and financial issues affecting the Company not resolved during annual and quarterly reviews.

*Managing the Relationship with the Auditors*

(a) **Appointment and Compensation**

The Audit Committee shall select and recommend to the Board for shareholder approval the appointment of the auditors. The Audit Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan.

(b) **Resolution of Disagreements**

The Audit Committee shall resolve any disagreements between management of the Company and the auditors as to financial reporting matters brought to its attention.

(c) **Discussions with Auditors**

At least annually, the Audit Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee. The Committee shall ensure that the Company requires and instructs the auditors to report directly to the Committee.

(d) **Audit Plan**

At least annually, and prior to the commencement of each audit, the Audit Committee shall review a summary of the external auditors' annual audit plan, describing: (i) the external auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the external auditor, or by any inquiry or investigation by any governmental or professional authority, within the preceding five years,

respecting one or more independent audits carried out by the external auditor, and any steps taken to deal with such issues; and (iii) all relationships between the external auditor and the Company.

The Committee should report its conclusions with respect to the above matters, as well as its review of the lead partner of the external auditor, and its views on whether there should be a regular rotation of the external auditor, to the Board. The Audit Committee shall also consider and review with the auditors any material changes to the scope of the plan.

**(e) Quarterly Review Report**

The Audit Committee shall review a report prepared by the auditors in respect of each of the interim financial statements of the Company.

**(f) Independence of Auditors**

At least annually, and before the auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Company; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements.

**(g) Evaluation and Rotation of Lead Partner**

At least annually, the Audit Committee shall review the qualifications and performance of the Company's external auditors, including an evaluation of the lead partner(s), and discuss, if necessary, any abridgment or acceleration of the current policy of rotating lead partners of the external auditors.

**(h) Requirement for Pre-Approval of Non-Audit Services**

The Audit Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the Company that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

The Audit Committee shall satisfy the pre-approval requirement in the foregoing paragraph (h) if:

- i) the aggregate amount of all the non-audit services that were not pre-approved constitutes no more than five per cent of the total amount of fees paid by the Company and its subsidiary entities to the Company's external auditor during the fiscal year in which the services are provided;

- ii) the Company or the relevant subsidiary of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement;
- iii) the services are promptly brought to the attention of the Audit Committee and approved by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Audit Committee, prior to the completion of the audit.

(i) **Approval of Hiring Policies**

The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company and the mutual funds managed by the Company or its affiliates.

(j) **Communication with Internal Auditor**

The internal auditor shall report regularly to the Committee. The Committee shall review with the internal auditor any problem or difficulty the internal auditor may have encountered including, without limitation, any restrictions on the scope of activities or access to required information, and any significant reports to management prepared by the internal auditing department and management's responses thereto.

The Committee shall review and approve on an annual basis the mandate and annual internal audit plan of the internal audit department and discuss with management the internal audit budget and staffing. The Committee shall direct management to make changes it deems advisable in respect of the internal audit function.

The Committee shall review the appointment, performance and replacement of the senior internal auditing executive and the activities, reporting responsibilities and qualifications of the persons responsible for the internal audit function.

***Internal Controls***

(a) **General**

The Audit Committee shall review the Company's disclosure controls and procedures and internal controls over financial reporting.

(b) **Establishment, Review and Approval**

The Audit Committee shall oversee management's design, implementation and maintenance of appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure controls and procedures, and review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:



- (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls; and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (iii) the Company's fraud prevention and detection procedure, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
- (iv) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls and procedures.

#### ***Audit Committee Whistleblower Procedures***

The Audit Committee shall establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The details of such whistleblower procedures will be described in the Company's Code of Business Conduct and Ethics and available on the employee website.

#### ***Audit Committee Disclosure***

The Audit Committee shall approve any audit committee disclosures required by Applicable Requirements to be included in the Company's disclosure documents.

#### ***Enterprise Risk Management Oversight***

The Committee shall meet regularly with the Company's Chief Executive Officer and President and shall review periodically with management the Company's systems to monitor and manage major business risks and legal and ethical compliance programs. The Committee shall receive regular reports on compliance systems and procedures and reports on the Company's risk management policies and procedures.

The Committee shall meet regularly with the Company's Chief Risk Officer and other key risk personnel and shall review an Annual Risk Report from the Chief Risk Officer.

The Committee shall review reports from the Company's Chief Technology Officer and shall review, at least annually, the Company's cybersecurity program and the approach of management to cyber-related risks.

The Committee shall review and recommend to the Board for approval the risk related disclosure in the Company's annual information form, financial statements and related management's discussion and analysis.

### ***Compliance with Legal and Regulatory Requirements***

The Committee shall review reports from the Company's Corporate Secretary, Chief Legal Officer and other management members on: legal or compliance matters that may have a material impact on the Company; the effectiveness of the Company's compliance policies; and any material communications received from regulators. The Committee shall review management's evaluation of and representations relating to compliance with applicable law and management's plans to remediate any deficiencies identified.

### ***Delegation***

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this Charter as the Audit Committee deems appropriate.

## **5. Charter Review**

The Committee shall review and update this Charter annually and present it to the Board for approval.

## **6. No Rights Created**

This Charter is a statement of broad policies and is intended as a component of the governance framework within which the Committee assists the Board in directing the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.