
CI FINANCIAL CORP.
ANNUAL INFORMATION FORM
March 1, 2014



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Appendix “A” Audit Committee Charter

Appendix “B” Governance Committee Charter

EXPLANATORY NOTES

Unless otherwise stated, the information in this annual information form is presented as of December 31, 2013 and all references to the Corporation's fiscal year are to the year ended December 31, 2013.

In this annual information form, unless the context otherwise requires, all references to the **Corporation** are to CI Financial Corp. and, as applicable, its predecessors, CI Financial Income Fund and CI Financial Inc. and references to **CI** or the **CI Group** are to the Corporation and its predecessors together with the entities and subsidiaries controlled by it and its predecessors.

FORWARD-LOOKING INFORMATION

This annual information form contains forward-looking statements concerning anticipated future events, results, circumstances, performance or expectations with respect to CI and its products and services, including its business operations, strategy and financial performance and condition. When used in this annual information form, such statements use such words as “may”, “will”, “expect”, “believe”, and other similar terms. These statements are not historical facts but instead represent management's beliefs regarding future events, many of which, by their nature are inherently uncertain and beyond management control. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements involve risks and uncertainties. Factors that could cause actual results to differ materially from expectations include, among other things, general economic and market conditions, including interest and foreign exchange rates, global financial markets, changes in government regulations or in tax laws, industry competition, technological developments and other factors described under “Risk Factors” or discussed in other materials filed by the Corporation with applicable securities regulatory authorities from time to time, including Management's Discussion and Analysis of the Corporation's interim and annual financial statements. The material factors and assumptions applied in reaching the conclusions contained in these forward-looking statements include that the investment fund industry will remain stable and that interest rates will remain relatively stable. The reader is cautioned against undue reliance on these forward-looking statements. For a more complete discussion of the risk factors that may impact actual results, please refer to the “Risk Factors” section of this annual information form.

Except as otherwise stated, these statements are made as of the date of this document and, except as required by applicable law, management and the board of directors of the Corporation (the “**Board of Directors**” or “**Board**”) undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

CORPORATE STRUCTURE

Name, Address and Formation

The Corporation is the successor to CI Financial Income Fund (the “**Fund**”), following the completion of the conversion of the Fund from an income trust to a corporate structure by way of a court-approved plan of arrangement under the *Business Corporations Act* (Ontario) (the “**OBCA**”) on January 1, 2009 (the

“**Conversion**”). The Fund had been created effective June 30, 2006 when CI Financial Inc. converted to an income trust. The Conversion effectively reversed this income trust conversion.

The Corporation was incorporated under the OBCA on November 12, 2008 and did not carry on any active business prior to the Conversion, other than executing the arrangement agreement pursuant to which the Conversion was implemented.

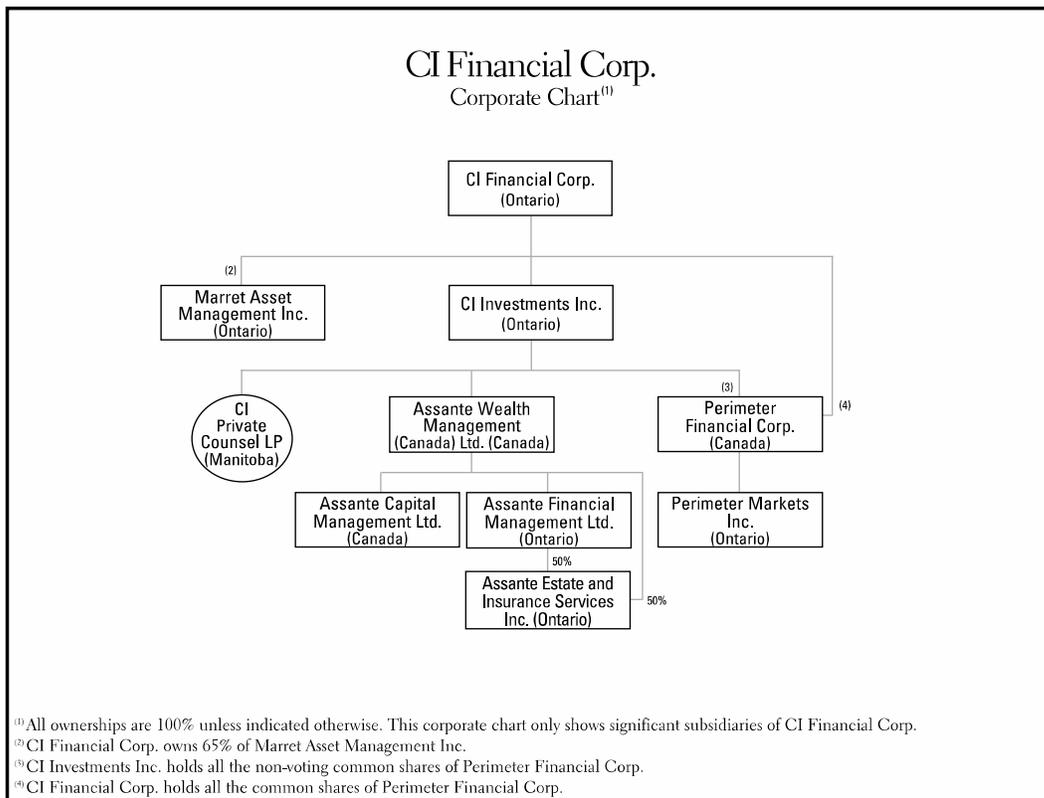
The registered and head office of the Corporation is 2 Queen Street East, Twentieth Floor, Toronto, Ontario, Canada M5C 3G7.

Intercorporate Relationships

The principal business of the Corporation is carried on through its wholly-owned subsidiaries, CI Investments Inc. (“**CI Investments**”) and Assante Wealth Management (Canada) Ltd. (“**AWM**”).

The table below shows the principal entities controlled by the Corporation as at December 31, 2013, including (i) the percentage of votes attaching to all voting securities of the entity beneficially owned, controlled or directed by the Corporation, and (ii) the jurisdiction of incorporation or formation:

Entity	Jurisdiction	Ownership %
CI Investments Inc.	Ontario	100%
Assante Wealth Management (Canada) Ltd.	Canada	100%



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The Corporation is a diversified wealth management firm and one of Canada's largest independent investment fund companies. The principal business of the Corporation is the management, marketing, distribution and administration of mutual funds, segregated funds, structured products and other fee-earning investment products for Canadian investors. These products are distributed primarily through brokers, independent financial planners and insurance advisors, including AWM financial advisors.

The Corporation's business is carried on through CI Investments and AWM. CI Investments is a fund management company engaged in the business of sponsoring, managing, distributing and administering investment funds in Canada. On January 1, 2010, CI Investments amalgamated with United Financial Corporation ("**United**"). United carried on the business of investment management and wealth planning and was engaged in the businesses of managing mutual funds and providing investment counselling, portfolio management and wealth management services. Its business of designing custom-tailored, integrated wealth management solutions for individuals, families and businesses across Canada was transferred to and is carried on by CI Private Counsel LP, under the United Financial brand.

AWM's subsidiaries include financial services distribution companies engaged in the business of providing financial planning, investment advice, wealth management, estate and succession planning and insurance services.

As at December 31, 2013, CI Investments managed approximately 200 funds and 11 closed-end investment funds or limited partnerships which are sold under various fund family names including Black Creek Funds, Cambridge Funds, CI Funds, CI Guaranteed Retirement Cash Flow Series, CI Hedge Funds, CI LifeCycle Portfolios, Harbour Funds, Portfolio Series, Portfolio Select Series, United Funds, Signature Funds and Synergy Funds. All the CI funds are collectively hereafter referred to as the "**Managed Funds**". CI Investments also manages or administers approximately 440 segregated funds. At December 31, 2013, CI Investments had \$91.1 billion assets under management. According to information available through The Investment Funds Institute of Canada, as at December 31, 2013, CI Investments was the second largest independent (not owned by a chartered bank, insurance company or major trust company) mutual fund group in Canada in terms of assets under management.

As at December 31, 2013, AWM, through its subsidiaries Assante Capital Management Ltd., Assante Financial Management Ltd. and Assante Estate and Insurance Services Inc., administered approximately \$27 billion in mutual funds, stocks, bonds, GIC's, insurance products and other investments for its clients.

CI's financial results are driven primarily by the level of its assets under management, which are in turn driven by the returns earned by its funds and the net sales of the funds. As at December 31, 2013, the CI Group, had approximately \$118 billion in fee-earning assets and the number of unitholder accounts under management of CI Investments exceeded two million.

A significant amount of CI's growth in fee-earning assets has been derived from acquisitions. The Corporation has a long-term strategy to increase the scale of its asset management business through

organic growth and acquisitions. Since 1999 the CI Group has made a series of strategic acquisitions including the acquisitions of:

- BPI Financial Corporation (“**BPI**”), in 1999
- Spectrum Investment Management Limited (“**Spectrum**”) and Clarica Diversico from a predecessor to Sun Life Financial Inc. (“**Sun Life**”), in 2002
- Synergy Asset Management Inc. (“**Synergy**”), in 2003
- Skylon Capital Corp. (“**Skylon**”), in 2003
- Assante Corporation (“**Assante**”), in 2003
- IQON Financial Management Inc. (“**IQON**”), in 2004
- Synera Financial Services Inc. (“**Synera**”), in 2004
- Rockwater Capital Corporation (“**Rockwater**”), in 2007
- Perimeter Financial Corp., in 2009
- Hartford Investments Canada Corp. (“**Hartford Canada**”), in 2010
- Marret Asset Management Inc. (“**Marret**”), in 2013

The acquisitions increased the CI Group’s total assets under management by approximately \$50.8 billion.

Significant Developments from 2011-2013

CI Public Debt Offering

In December 2009, the Corporation completed a \$550 million public debt offering. The offering was the first public offering of debt securities by the Corporation. The offering was comprised of \$100 million principal amount of floating rate debentures due December 16, 2011 (the “**Floating Rate Debentures**”); \$250 million principal amount of 3.3% debentures due December 17, 2012 (the “**2012 Debentures**”) and \$200 million principal amount of 4.19% debentures due December 16, 2014 (the “**2014 Debentures**”), (collectively, the “**Debentures**”). The Debentures are fully and unconditionally guaranteed by CI Investments. The Debentures have a rating of A (low) with a “Stable” trend from DBRS Limited (“**DBRS**”) and a rating of BBB+ with a “Stable” outlook from Standard and Poor’s (“**S&P**”). The Floating Rate Debentures were repaid in December 2011 and the 2012 Debentures were repaid in December 2012. See “Description of Capital Structure - Debt Securities” and “- Ratings” below for further information on the Debentures.

CI Investments Public Debt Offering

In December 2010, CI Investments issued \$300 million principal amount of debentures due December 14, 2016 (the “**CII Debentures**”) to the public pursuant to a prospectus. It was the first public offering by CI Investments. The CII Debentures are unconditionally guaranteed by the Corporation. The CII Debentures bear interest at the rate of 3.94% per year until December 13, 2015, and thereafter at a floating rate based on the three-month bankers’ acceptance rate. The offering was made on an agency basis under a CI Investments debt shelf prospectus dated December 7, 2010. A portion of the net proceeds from the offering was used to pay for the acquisition of Hartford Canada and the balance was used to pay down amounts owing under the Corporation’s credit facility. The CII Debentures have been rated BBB + by Standard & Poor’s and A (low) by DBRS. See “CII Debentures” and “Ratings” under “Description of Capital Structure below for further information on the CII Debentures.

Marret Acquisition

On September 26, 2013, the Corporation announced that it had entered into an agreement to purchase 65% of the outstanding shares of Marret Asset Management Inc. (“**Marret**”) with the option to purchase the remaining 35% after three years. The transaction was completed on November 29, 2013. Toronto-based Marret is a leading alternative asset manager specializing in global and Canadian fixed income. Marret has been operating in Canada for 12 years and managed 20 investment funds at the date of purchase. Marret also acts as portfolio manager for institutional and high net worth clients. Marret’s total assets under management as at December 31, 2013 were approximately \$2.1 billion.

DESCRIPTION OF THE BUSINESS

General

CI is a diversified wealth management firm and one of Canada’s largest independent investment fund companies. The principal business of CI is the management, marketing, distribution and administration of mutual funds, segregated funds, structured products and other fee-earning investment products for Canadian investors. These products are distributed primarily through brokers, independent financial planners and insurance advisors, including AWM financial advisors. CI operates through two business segments, asset management and asset administration. The asset management segment provides the majority of CI’s income and derives its revenues principally from the fees earned on the management of several families of mutual, segregated, pooled and closed-end funds, structured products and discretionary accounts. The asset administration segment derives its revenues principally from commissions and fees earned on the sale of mutual funds and other financial products, and ongoing service to clients and capital market activities.

Asset Management Segment

Summary

The asset management segment, carried on by CI Investments, provides a majority of CI's income and derives its revenue principally from the fees earned on the management of the Managed Funds. CI Investments offers the Managed Funds primarily through investment dealers, mutual fund dealers, insurance advisors, and AWM financial advisors in all jurisdictions in Canada. Financial information regarding the asset management segment is provided in the Corporation's annual financial statements for the fiscal year ended December 31, 2013 and related management's discussion and analysis, which are available on SEDAR at www.sedar.com.

Products and Services

Managed Funds

At December 31, 2013, the Managed Funds consisted of 200 investment funds established primarily under the laws of Ontario. The Managed Funds are sold or available for sale in all provinces and territories of Canada.

The CI Group offers Canadian investors a wide range of Canadian and international investment products through a network of investment dealers, mutual fund dealers, and insurance agents, which include AWM financial advisors. The Managed Funds are managed by a diverse group of in-house portfolio managers employed by CI Investments in addition to outside investment advisory firms, all supported by a team of marketing, administrative and technical specialists. The diversity of the Managed Funds allows CI to take advantage of the expected continued growth in the Canadian investment fund industry. In addition, the acquisitions of the funds managed by BPI in 1999, the funds managed by Spectrum and Sun Life in 2002, funds managed by United Financial Corporation (now part of CI Investments), Synergy and Skylon in 2003, funds managed by KBSH Capital Management Inc. ("KBSH") and Lakeview Asset Management Inc. ("Lakeview") in 2007, the funds managed by Hartford Canada in 2010 and the funds managed by Marret in 2013, enhance the ability of the CI Group to offer investors what management believes to be the broadest selection of investment funds in the Canadian mutual fund industry.

Management of the Managed Funds

CI Investments is a promoter and manager of all of the Managed Funds. As manager, CI Investments provides all of the management services required by the Managed Funds including managing or arranging for the management of investment portfolios, marketing of the Managed Funds, keeping of securityholder records and accounts, reporting to the securityholders and processing transactions relating to the purchase, transfer and redemption of securities of the Managed Funds.

CI Investments has entered into a management agreement with each of the Managed Funds. For the management and administrative services provided to the Managed Funds, CI Investments is generally paid a fee based on the average daily net asset value of each of the Managed Funds. The net asset value

of a Managed Fund depends primarily on its level of net sales and the market value of its portfolio investments. The management fees paid to CI Investments are comparable to other management fees charged in the Canadian investment fund industry.

CI Investments bears all of the operating expenses of the open-end mutual funds managed by CI Investments (other than certain taxes, borrowing costs, new governmental fees and forward contract costs) in return for fixed annual administration fees. In general, each Managed Fund is responsible for its own administrative and operating expenses including, without limitation, audit and legal fees, registry and transfer agency fees, custodian fees, portfolio and investment costs, expenses of communication with securityholders, all costs imposed by statute or regulation, and applicable Goods and Services Tax and Harmonized Sales Tax, where applicable.

Investment Managers

CI Investments currently uses in-house and outside investment managers to provide investment advice regarding the investment portfolios of the Managed Funds. Pursuant to investment advisor agreements between CI Investments and certain investment management firms, CI Investments has retained outside investment management firms to provide advice regarding the investment portfolios of certain Managed Funds. In general, CI Investments pays the outside investment management firms an annual fee equal to a percentage of the net asset value of the Managed Funds. Generally, these rates are reduced as the net asset value exceeds certain specified levels.

Distribution and Marketing of the Managed Funds

Like other asset management companies not affiliated with financial institutions, CI Investments relies on investment dealers and mutual fund dealers for the sale of securities of the Managed Funds. Individual variable annuity contracts and variable annuity policies providing for approximately 440 segregated funds including the CI Guaranteed Investment Funds and Sun*Wise* Segregated Funds are sold through licensed life insurance agents. CI has preferred access to approximately 3,000 independent career advisors of Sun Life pursuant to a distribution agreement entered into on July 25, 2002 with Sun Life, as amended July 24, 2007 and amended and restated May 7, 2010 (the “**Sun Life Distribution Agreement**”).

The management of CI believes that the following factors are responsible for increasing and retaining assets in the Managed Funds under the management of CI Investments: diversity of products offered by the CI Group; experience and acknowledged success of the investment managers of the Managed Funds; service levels provided to the dealer and the investor; and performance of the Managed Funds. CI Investments focuses on service and assistance to dealers and agents who are selling the Managed Funds, including providing materials to communicate the important features of the Managed Funds to investors and providing access to the investment managers.

CI Investments pays trailer fees to assist dealers in providing ongoing service to clients. These fees are payable to dealers in respect of their sales representatives who have client assets in qualifying Managed Funds throughout a calendar month. Payment is made either monthly or quarterly and is equal to a percentage of the total client assets of such sales representatives throughout the month.

CI Investments has a program to spend a certain amount to assist dealers and their representatives in marketing the Managed Funds. This program is subject to regulatory requirements and may be discontinued or modified at any time.

Sales Charges Relating to the Distribution of the Managed Funds

Investors may choose to purchase securities of the Managed Funds under the deferred sales charge method or under the initial sales commission method.

In general, if the investor purchases under the deferred sales charge method, no initial commission is paid, the entire investment is invested in securities and, upon redemption within seven years of purchase, a redemption fee will be deducted from the proceeds of redemption. On redemption, the redemption fee is calculated as a percentage of the net asset value at the time of the issue of the securities, which percentage decreases, for the standard deferred sales charge option, over a seven year period from 5.5% in the first year to nil at the end of the period, and for the low-load sales charge option, over a three-year period from 3.0% in the first year to nil at the end of the period. The redemption fee will be deferred in respect of redemptions of securities of a Managed Fund up to a maximum established by CI Investments from time to time.

In general, if the investor purchases securities of the Managed Funds under the initial sales commission method, a sales commission is paid at the time of purchase and no commission is charged at the time of redemption. For purchases of securities of the Managed Funds under the initial sales commission method, the commission is negotiable between the dealer and the investor, with the maximum generally ranging from 1% to 5%. No fees or charges are otherwise deducted by the Managed Funds on redemption except for applicable short-term trading fees and in the case of a registered plan or on a transfer to other Managed Funds.

Specialized Skill and Knowledge

A company requires certain specialized skills and expertise in the asset management industry in order for it to grow and succeed. CI Investments has the skills and expertise to continue to focus on meeting the investment needs of its clients, developing new products, increasing market share penetration through targeting of knowledgeable, successful investment dealers, mutual fund dealers and life insurance agents and other alternative distribution channels, and enhancing investor awareness. CI Investments' objective is to continue to offer a wide range of investment products that are managed by a diversified group of investment advisors and build on its strength in both international and domestic equity fund products. CI Investments' experienced marketing teams have been instrumental in enabling CI Investments to achieve market share growth through the investment dealer and mutual fund dealer network and life insurance agents.

To handle future growth, CI will continue, as appropriate, to upgrade its advanced information systems and increase internal training and development, all with the objective of ensuring that it provides accurate and timely service to registered dealers and agents selling CI Investments' products and to investors. As a result of its investment in computer facilities and its efficient approach to service and marketing, CI

believes that CI Investments will not have to increase their personnel in the same proportion as the growth in assets of the Managed Funds under their management.

Competitive Conditions

The Canadian mutual fund industry has grown from \$3.6 billion to \$999.2 billion of mutual fund assets during the period from December 1980 to December 2013 (according to The Investment Funds Institute of Canada).

The long-term growth in the mutual fund industry is attributable to many factors including a decline in inflation, lower interest rates and increased marketing of mutual funds. Government policies, at both the federal and provincial levels, also are contributing significantly to this growth by encouraging Canadians to save for retirement by increasing contribution levels.

The growth in the mutual fund industry has resulted in increased competition. Since the entrance of the banks and trust companies into the mutual fund industry in the late 1980s, competition from financial institutions has increased significantly. With the entrance of the banks and trust companies and, more recently, insurance companies, the market has developed into two distinct segments: mutual fund groups owned by chartered banks, insurance companies and major trust companies; and the independent mutual fund groups. According to data from The Investment Funds Institute of Canada, as at December 31, 2013, mutual fund companies owned by chartered banks, insurance companies or major trust companies had a combined market share of approximately 49% all mutual fund assets. Several foreign mutual fund groups currently operate in Canada. The addition of well capitalized foreign mutual fund groups in the Canadian mutual fund industry has increased competition even further. See “Risk Factors - Competition” below.

There has been significant consolidation among Canadian mutual fund management companies, driven by a desire to achieve economies of scale in marketing, distribution and administration. The consequences of this consolidation include:

- (a) a decline in the number of mutual fund and institutional asset management companies listed on the Toronto Stock Exchange (“TSX”);
- (b) a segmentation of the industry into two distinct parts: mutual fund management groups owned in whole or in part by chartered banks, insurance companies, major trust companies or other large domestic and foreign groups, and independent mutual fund management companies; and
- (c) an increasing concentration of the larger industry participants in terms of mutual fund assets under management. As at December 31, 2013, the 10 largest Canadian mutual fund management companies controlled approximately 74% of the total industry mutual fund assets under management.

There has been significant public pressure on the mutual fund industry to lower costs and improve the transparency of fees paid by investors. In response, in August 2005, the CI Group obtained the approval of securityholders of the open-end mutual funds managed by CI Investments to permit CI Investments to bear all of the operating expenses of those funds (other than certain taxes, borrowing costs, new governmental fees and forward contract costs) in return for fixed annual administration fees. As a result of this change, the management expense ratio (or MER) for the affected funds has become relatively fixed and predictable.

The following table sets forth the aggregate net asset value for the Canadian mutual fund industry and CI Investments' aggregate relative position in the Canadian mutual fund industry.

Mutual Fund Assets	
As at December 31, 2013	
(in billions of dollars except percentages)	
Total Canadian mutual fund industry ⁽¹⁾	\$999.2
CI Investments' Managed Funds	\$91.1
CI Investments' total assets under management as an aggregate % of total industry	9.1%

Notes:

(1) Source: The Investment Funds Institute of Canada and CI Financial.

In Canada, the investment management industry, and in particular the mutual fund segment, is a highly regulated industry. Applicable securities legislation imposes restrictions on, among other things, incentives that may be offered to dealers and the forms of advertising which may be used by mutual fund managers, and disclosure and reporting requirements on the Managed Funds (see "Risk Factors – Regulatory and Legal Risk" below).

New Products

In the year ended December 31, 2013, CI Investments introduced four new funds: Signature Cash Management Fund, Lawrence Park Strategic Income Fund, CI G5|20 2038 Q3 Fund, CI G5|20 2038 Q4 Fund, and CI G5|20 2039 Q1 Fund.

Intangible Properties

CI Investments owns or licenses certain registered and unregistered trade-marks such as CI Funds, Synergy Funds, Harbour Funds, Signature Funds, United Pools, Artisan Portfolios, Optima Strategy, and Cambridge. These trade-marks are important elements in differentiating the Managed Funds from CI Investments' competitors and marketing the Managed Funds to clients and advisors.

Asset Administration Segment

Summary

The asset administration segment, carried on by AWM and its subsidiaries and CI Private Counsel LP (“CIPC”), offers clients in Canada a wide range of products and services, which encompass a multidisciplinary approach to financial planning, investment advice, wealth management, estate and succession planning and insurance services. Financial information regarding the asset administration segment is provided in the Corporation’s annual financial statements for the fiscal year ended December 31, 2013 and related management’s discussion and analysis, which are available on SEDAR at www.sedar.com.

Products and Services

The principal businesses of AWM and its subsidiaries and CIPC are the provision of products and services tailored to meet the specific objectives and the financial planning and financial management needs of their clients. These products and services are developed and/or distributed through AWM and its subsidiaries, which include securities dealers, mutual fund dealers and life insurance agents.

AWM’s affiliates provide a wide range of products and services, including portfolio management, investment advisory services, distribution of securities (including mutual funds), insurance products and banking services and wealth management, including financial, tax and estate planning services.

AWM’s unique distribution strategy and operating platform distinguish it in its sector. Its distribution network provides AWM direct access to experienced advisors with an established and growing base of clients. Through these advisors, many of those clients are electing to delegate responsibility for portfolio management, manager selection and monitoring, and wealth management to AWM’s core group of investment and wealth management professionals.

AWM’s operating platform is designed to allow the advisor to work with a team of professionals to provide best-in-class advice and one-stop solutions for many of the increasingly complicated and sophisticated needs of its clients.

AWM’s products and services are built on a foundation of some combination of portfolio management, investment advice, distribution of securities, insurance products, banking products and financial, tax, succession, wealth and estate planning. The principal markets for AWM’s products and services are affluent and high net worth individuals residing in Canada.

CIPC provides discretionary investment counsel services on a referral basis through its United Financial division and directly to investors through its Stonegate Private Counsel division.

Specialized Skill and Knowledge

See “Description of the Business - Asset Management Segment - Specialized Skill and Knowledge” above.

Competitive Conditions

The financial services industry is very competitive with many institutions and companies such as banks, trust companies, insurance companies, portfolio managers, security brokerage companies and mutual fund dealers all competing for the business of a relatively fixed number of affluent clients. In addition, foreign based mutual fund companies and banks have also established operations in Canada. The financial services industry in Canada has also moved toward offering comprehensive fee-based investment management services for clients.

AWM believes that it is well positioned in terms of its competitors in the marketplace. While there is a larger number of organizations providing financial advisory and financial management services or manufacturing investment products, very few of them are similar to AWM in providing financial product manufacturing integrated with the delivery of a full menu of products and services (including proprietary products) through their own distribution network. The operation of a unified financial advisory business in Canada is designed to provide synergies and economies of scale for AWM's wealth management programs and financial advisor network. See "Risk Factors - Competition" below.

Intangible Properties

AWM owns or licenses certain registered and unregistered trade-marks such as Assante and Assante Wealth Management. These trade-marks are important elements in differentiating AWM's services from those offered by its competitors.

Cycles

Generally, revenues are consistent throughout the year, with a slight increase in the first quarter due to increased investment activity during the Canadian RRSP season.

Employees

As at December 31, 2013, 1,364 people were employed by CI Group.

RISK MANAGEMENT

There is risk inherent in the conduct of a wealth management business. Some factors which introduce or exacerbate risk are within the control of management and others are by their nature outside of direct control but must still be managed. Effective risk management is a key component to achieving CI's business objectives. It requires management to identify and anticipate risks in order to develop strategies and procedures which minimize or avoid negative consequences. Management has developed an approach to risk management that involves executives in each core business unit and operating area of CI. These executives identify and evaluate risks, applying both a quantitative and a qualitative analysis and then assess the likelihood of occurrence of a particular risk. The final step in the process is to identify mitigating factors or strategies and a course for implementing mitigation procedures.

The disclosures below provide a summary of the key risks and uncertainties that affect CI's financial performance.

Market Risk

Market risk is the risk of a financial loss resulting from adverse changes in underlying market factors, such as interest rates, foreign exchange rates, and equity and commodity prices. A description of each component of market risk is described below:

- Interest rate risk is the risk of gain or loss due to the volatility of interest rates.
- Foreign exchange rate risk is the risk of gain or loss due to volatility of foreign exchange rates.
- Equity risk is the risk of gain or loss due to the changes in prices and volatility of individual equity instruments and equity indexes.

CI's financial performance is indirectly exposed to market risk. Any decline in financial markets or lack of sustained growth in such markets may result in a corresponding decline in performance and may adversely affect CI's assets under management, management fees and revenues, which would reduce cash flow to CI and ultimately impact CI's ability to pay dividends.

Asset Management Segment

CI is subject to market risk throughout its Asset Management business segment. The following is a description of how CI mitigates the impact this risk has on its financial position and operating earnings.

Management of market risk within CI's assets under management is the responsibility of the Chief Operating Officer, with the assistance of the Chief Compliance Officer. CI has a control environment that ensures risks are reviewed regularly and that risk controls throughout CI are operating in accordance with regulatory requirements. CI's compliance group carefully reviews the exposure to interest rate risk, foreign currency risk and equity risk. When a particular market risk is identified, portfolio managers of the funds are directed to mitigate the risk by reducing their exposure.

At December 31, 2013, approximately 24% of CI's assets under management were held in fixed-income securities, which are exposed to interest rate risk. An increase in interest rates causes market prices of fixed-income securities to fall, while a decrease in interest rates causes market prices to rise. CI estimates that a 50 basis point change in interest rates would cause a change of about \$3 million in annual pre-tax earnings in the Asset Management segment.

At December 31, 2013, about 57% of CI's assets under management were based in Canadian currency, which diminishes the exposure to foreign exchange risk. However, at the same time, approximately 22% of CI's assets under management were based in U.S. currency. Any change in the value of the Canadian dollar relative to U.S. currency will cause fluctuations in CI's assets under management upon which CI's

management fees are calculated. CI estimates that a 10% change in Canadian/U.S. exchange rates would cause a change of about \$20 million in the Asset Management segment's annual pre-tax earnings.

About 64% of CI's assets under management were held in equity securities at December 31, 2013, which are subject to equity risk. Equity risk is classified into two categories: general equity risk and issuer-specific risk. CI employs internal and external fund managers to take advantage of these individuals' expertise in particular market niches, sectors and products and to reduce issuer-specific risk through diversification. CI estimates that a 10% change in the prices of equity indexes would cause a change of about \$58 million in annual pre-tax earnings.

Asset Administration Segment

CI's Asset Administration business is exposed to market risk. The following is a description of how CI mitigates the impact this risk has on its financial position and results of operations.

Risk management for administered assets is the responsibility of the Chief Compliance Officer and senior management. Responsibilities include ensuring policies, processes and internal controls are in place and in accordance with regulatory requirements. CI's internal audit department reviews CI's adherence to these policies and procedures.

CI's operating results are not materially exposed to market risk impacting the asset administration segment given that this segment usually generates less than 1% of the total income before non-segmented items (this segment had income of \$1.3 million before income taxes and non-segmented items for the year ended December 31, 2013). Investment advisors regularly review their client portfolios to assess market risk and consult with clients to make appropriate changes to mitigate it. The effect of a 10% change in any component of market risk (comprised of interest rate risk, foreign exchange risk and equity risk) would have resulted in a change of less than \$2 million to the Asset Administration segment's pre-tax earnings.

Credit Risk

Credit risk is the risk of loss associated with the inability of a third party to fulfill its payment obligations. CI is exposed to the risk that third parties that owe it money, securities or other assets will not perform their obligations. These parties include trading counterparties, customers, clearing agents, exchanges, clearing houses and other financial intermediaries, as well as issuers whose securities are held by CI. These parties may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. CI does not have a significant exposure to any individual counterparty. Credit risk is mitigated by regularly monitoring the credit performance of each individual counterparty and holding collateral where appropriate.

One of the primary sources of credit risk arises when CI extends credit to clients to purchase securities by way of margin lending. Margin loans are due on demand and are collateralized by the financial instruments in the client's account. CI faces a risk of financial loss in the event a client fails to meet a margin call if market prices for securities held as collateral decline and if CI is unable to recover sufficient value from the collateral held. The credit extended is limited by regulatory requirements and by CI's internal credit policy. Credit risk is managed by dealing with counterparties CI believes to be creditworthy and by actively monitoring credit and margin exposure and the financial health of the counterparties. CI has concluded that current economic and credit conditions have not significantly impacted its financial assets.

Liquidity Risk

Liquidity risk is the risk that CI may not be able to generate sufficient funds and within the time required in order to meet its obligations as they come due. While CI currently has access to financing, unfavourable market conditions may affect the ability of CI to obtain loans or make other arrangements on terms acceptable to CI.

Strategic Risks

Strategic risks are risks that directly impact the overall direction of CI and the ability of CI to successfully implement proposed strategies. The key strategic risk is the risk that management fails to anticipate, and respond to changes in the business environment including demographic and competitive changes. CI's performance is directly affected by financial market and business conditions, including the legislation and policies of the governments and regulatory authorities having jurisdiction over CI's operations. These are beyond the control of CI however, an important part of the risk management process is the on-going review and assessment of industry and economic trends and changes. Strategies are then designed to mitigate the impact of any anticipated changes, including the introduction of new products and cost control strategies.

Distribution Risk

CI distributes its investment products through a number of distribution channels including brokers, independent financial planners and insurance advisors. CI's access to these distribution channels is impacted by the strength of the relationship with certain business partners and the level of competition faced from the financial institutions that own those channels. While CI continues to develop and enhance existing relationships, there can be no assurance that CI will continue to enjoy the level of access that it has in the past, which would adversely affect its sales of investment products.

Operational Risks

Operational risks are risks related to the actions, or failure in the processes, that support the business including administration, information technology, product development and marketing. The administrative services provided by CI depend on software supplied by third-party suppliers. Failure of a key supplier, the loss of these suppliers' products, or problems or errors related to such products would

have a material adverse effect on the ability of CI to provide these administrative services. Changes to the pricing arrangement with such third-party suppliers because of upgrades or other circumstances could have an adverse effect upon the profitability of CI. There can be no assurances that CI's systems will operate or that CI will be able to prevent an extended systems failure in the event of a subsystem component or software failure or in the event of an earthquake, fire or any other natural disaster, or a power or telecommunications failure. Any systems failure that causes interruptions in the operations of CI could have a material adverse effect on its business, financial condition and operating results. CI may also experience losses in connection with employee errors. Although expenses incurred by CI in connection with employee errors have not been significant in the past, there can be no assurances that these expenses will not increase in the future.

Taxation Risk

CI is subject to various uncertainties concerning the interpretation and application of Canadian tax laws. If tax authorities disagree with CI's application of such tax laws, CI's profitability and cash flows could be adversely affected. CI Investments is considered a large case file by the Canada Revenue Agency, and as such, is subject to audit each year. There is a significant lag between the end of a fiscal year and when such audits are completed. Therefore, at any given time, several years may be open for audit and/or adjustment.

Competition

CI operates in a highly competitive environment, with competition based on a variety of factors, including the range of products offered, brand recognition, investment performance, business reputation, financing strength, the strength and continuity of institutional, management and sales relationships, quality of service, level of fees charged and level of commissions and other compensation paid. CI competes with a large number of mutual fund companies and other providers of investment products, investment management firms, broker-dealers, banks, insurance companies and other financial institutions. Some of these competitors have greater capital and other resources, and offer more comprehensive lines of products and services than CI. The trend toward greater consolidation within the investment management industry has increased the strength of a number of CI's competitors. Additionally, there are few barriers to entry by new investment management firms, and the successful efforts of new entrants have resulted in increased competition. CI's competitors seek to expand market share by offering different products and services than those offered by CI. While CI continues to develop and market new products and services, there can be no assurance that CI will maintain its current standing or market share, and that may adversely affect the business, financial condition or operating results of CI.

Regulatory and Legal Risk

Certain subsidiaries of CI are heavily regulated in all jurisdictions where they carry on business. Laws and regulations applied at the national and provincial level generally grant governmental agencies and self-regulatory bodies broad administrative discretion over the activities of CI, including the power to

limit or restrict business activities as well as impose additional disclosure requirements on CI products and services. Possible sanctions include the revocation or imposition of conditions on licenses to operate certain businesses, the suspension or expulsion from a particular market or jurisdiction of any of CI's business segments or its key personnel or financial advisors, and the imposition of fines and censures. It is also possible that the laws and regulations governing a subsidiary's operations or particular investment products or services could be amended or interpreted in a manner that is adverse to CI. To the extent that existing or future regulations affecting the sale or offering of CI's product or services or CI's investment strategies cause or contribute to reduced sales of CI's products or lower margins or impair the investment performance of CI's products, CI's aggregate assets under management and its revenues may be adversely affected.

Certain subsidiaries of CI are subject to minimum regulatory capital requirements. This may require CI to keep sufficient cash and other liquid assets on hand to maintain capital requirements rather than using them in connection with its business. Failure to maintain required regulatory capital by CI may subject it to fines, suspension or revocation of registration by the relevant securities regulator. A significant operating loss by a registrant subsidiary or an unusually large charge against regulatory capital could adversely affect the ability of CI to expand or even maintain its present level of business, which could have a material adverse effect on CI's business, results of operations, financial condition and prospects.

Given the nature of CI's business, CI may from time to time be subject to claims or complaints from investors or others in the normal course of business. The legal risks facing CI, its directors, officers, employees or agents in this respect include potential liability for violations of securities laws, breach of fiduciary duty and misuse of investors' funds. Some violations of securities laws and breach of fiduciary duty could result in civil liability, fines, sanctions, or expulsion from a self-regulatory organization or the suspension or revocation of CI's subsidiaries' right to carry on their existing business. CI may incur significant costs in connection with such potential liabilities.

Commitment of Financial Advisors and Other Key Personnel

The success of CI is also dependent upon, among other things, the skills and expertise of its human resources including the management and investment personnel and its personnel with skills related to, among other things, marketing, risk management, credit, information technology, accounting, administrative operations and legal affairs. These individuals play an important role in developing, implementing, operating, managing and distributing CI's products and services. Accordingly, the recruitment of competent personnel, continuous training and transfer of knowledge are key activities that are essential to CI's performance. In addition, the growth in total assets under management in the industry and the reliance on investment performance to sell financial products have increased the demand for experienced and high-performing portfolio managers. Compensation packages for these managers may increase at a rate well in excess of inflation and well above the rates of increase observed in other industries and the rest of the labour market. CI believes that it has the resources necessary for the operation of CI's business. The loss of these individuals or an inability to attract, retain and motivate a sufficient number of qualified personnel could adversely affect CI's business.

The market for financial advisors is extremely competitive and is increasingly characterized by frequent movement by financial advisors among different firms. Individual financial advisors of AWM have regular direct contact with clients, which can lead to a strong and personal client relationship based on the client's trust in the individual financial advisor. The loss of a significant number of financial advisors could lead to the loss of client accounts which could have a material adverse effect on the results of operations and prospects of AWM, and, in turn, CI. Although AWM uses or has used a combination of competitive compensation structures and equity with vesting provisions as a means of seeking to retain financial advisors, there can be no assurance that financial advisors will remain with AWM.

Dependence on Senior Management

The success of CI and its strategic focus is dependent to a significant degree upon the contributions of senior management. The loss of any of these individuals, or an inability to attract, retain and motivate sufficient numbers of qualified senior management personnel on the part of CI, could adversely affect CI's business. CI has not purchased any "key man" insurance with respect to any of its directors, officers or key employees and has no current plans to do so.

Management Fees and Other Costs

CI's ability to maintain its management fee structure will be dependent on its ability to provide investors with products and services that are competitive. There can be no assurance that CI will not come under competitive pressure to lower the fees charged or that it will be able to retain the current fee structure, or with such fee structure, retain its investors in the future. Changes to management fees, commission rates, structures or service fees related to the sale of mutual funds and closed-end funds could have an adverse effect on CI's operating results. By reason of CI's implementation in 2005 of fixed administration fees for its mutual funds, a significant decrease in the value of the relevant funds, in combination with the fixed administration fees, could reduce margins and have an adverse effect on CI's operating results.

Risks of Significant Redemptions of CI's Assets Under Management

CI earns revenue primarily from management fees earned for advising and managing pools of assets. These revenues depend largely on the value and composition of mutual fund assets under management. The level of assets under management is influenced by three factors: (i) sales; (ii) redemption rates; and (iii) investment performance. Sales and redemptions may fluctuate depending on market and economic conditions, investment performance, and other factors.

Sufficiency of Insurance

CI maintains various types of insurance which include financial institution bonds, errors and omissions insurance, directors', trustees' and officers' liability insurance, agents' insurance and general commercial liability insurance. There can be no assurance that a claim or claims will not exceed the limits of available insurance coverage that any insurer will remain solvent or willing to continue providing insurance coverage with sufficient limits or at a reasonable cost or that any insurer will not dispute coverage of certain claims due

to ambiguities in the relevant policies. A judgment against CI in excess of available coverage could have a material adverse effect on CI both in terms of damages awarded and the impact on the reputation of CI.

Capital Requirements

Certain subsidiaries of CI are subject to minimum regulatory capital requirements. This may require CI to keep sufficient cash and other liquid assets on hand to maintain capital requirements rather than using them in connection with its business. Failure to maintain required regulatory capital by CI may subject it to fines, suspension or revocation of registration by the relevant securities regulator. A significant operating loss by a registrant subsidiary or an unusually large charge against regulatory capital could adversely affect the ability of CI to expand or even maintain its present level of business, which could have a material adverse effect on CI's business, results of operations, financial condition and prospects.

Risks Specific to the Common Shares

Fluctuation of Cash Dividends

Although CI intends to distribute some portion of the income it earns, there can be no assurance regarding the amount of cash dividends distributed upstream from its subsidiaries. The actual amount of dividends paid depends upon numerous factors, all of which are susceptible to a number of risks and other factors beyond the control of CI. Dividends are not guaranteed and will fluctuate with the performance of the business.

Unpredictability and Volatility of Market Price

Shares of a publicly traded company do not necessarily trade at values determined by reference to the underlying value of the business. The prices at which the common shares of the Corporation (the “**Common Shares**”) will trade cannot be predicted. The market price of CI's Common Shares could be subject to significant fluctuations in response to variations in quarterly operating results, distributions and other factors. The market price for the Common Shares may be adversely affected by changes in general market conditions, fluctuations in the market for equity or debt securities and numerous other factors beyond the control of CI.

Dilution

Pursuant to its articles of incorporation, as amended, the Corporation is authorized to issue an unlimited number of Common Shares for the consideration and on those terms and conditions as are established by the Directors without the approval of any shareholders. Any further issuance of Common Shares may dilute the interests of existing shareholders.

Risks Specific to the Debentures and the CII Debentures

Changes in Creditworthiness

There can be no assurance that the creditworthiness of CI or that any credit rating assigned to the Debentures or the CII Debentures will remain in effect for any given period of time or that the rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such

rating may have an adverse effect on the market price or value and the liquidity of the Debentures and the CII Debentures.

Market Value Risk

Prevailing interest rates will affect the market value of the Debentures and the CII Debentures. The price or market value of the Debentures and the CII Debentures will decline as prevailing interest rates for comparable securities rise. CI may choose to redeem Debentures and the CII Debentures from time to time, in accordance with its rights, including when prevailing interest rates are lower than the yield borne by the Debentures or the CII Debentures. If prevailing rates are lower at the time of redemption, a holder may not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yield on the Debentures or the CII Debentures being redeemed.

Liquidity Risk

The Debentures and the CII Debentures are not listed on any exchange. As a result, the trading market for the Debentures and the CII Debentures may not be active or liquid. There can be no assurance that an active market for the Debentures or the CII Debentures will develop or be sustained or that holders of the Debentures or the CII Debentures will be able to sell their debentures at any particular price or at all.

Ranking of the Debentures

The Debentures are unsecured obligations of CI and certain of its subsidiaries and are not secured by any of their assets. Therefore, holders of secured indebtedness of CI or of its subsidiaries will have a claim on the assets securing such indebtedness that ranks in priority to the claims of holders of the Debentures and will have a claim that ranks equally with the claims of holders of Debentures to the extent that such security is insufficient to satisfy the secured indebtedness. Furthermore, although covenants given by CI or its subsidiaries in certain agreements may restrict incurring secured indebtedness, such indebtedness may, subject to certain conditions, be incurred.

The CII Debentures are unsecured obligations of CI Investments, unconditionally guaranteed by the Corporation. Therefore, holders of secured indebtedness of CI Investments will have a claim on the assets securing such indebtedness that ranks in priority to the claims of holders of the CII Debentures and will have a claim that ranks equally with the claims of holders of CII Debentures to the extent that such security is insufficient to satisfy the secured indebtedness. Furthermore, CI Investments is not precluded from incurring additional debt.

DESCRIPTION OF CAPITAL STRUCTURE

The following is a brief summary of the Corporation's authorized share capital and its outstanding debt securities. The authorized share capital is established in the Corporation's articles of incorporation, as amended. This summary may not be complete and is subject to, and qualified in its entirety by reference

to, CI's articles of incorporation, as amended, and to the Corporation's Trust Indenture and the CII Trust Indenture (each of which is defined below) pursuant to which the Debentures and the CII Debentures are created and outstanding.

The Corporation's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of preference shares, issuable in series. As at February 28, 2014 there were 285,166,479 Common Shares issued and outstanding. No preference shares have been issued by the Corporation.

Common Shares

Holders of Common Shares are entitled to one vote per share at meetings of shareholders of the Corporation, to receive dividends if, as and when declared by the Board (subject to the rights of shares, if any, having priority over the Common Shares) and to receive *pro rata* the remaining property and assets of the Corporation upon its dissolution or winding up, subject to the rights of shares, if any, having priority over the Common Shares.

Preference Shares

Each series of preference shares shall consist of such number of shares and have such rights, privileges, restrictions and conditions as may be determined by the Board prior to the issuance thereof. Holders of preference shares, except as required by law or as provided in the rights, privileges, restrictions and conditions of a particular series, will not be entitled to vote at meetings of shareholders of the Corporation. With respect to the payment of dividends and distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the preference shares of each series shall rank on a parity with the preference shares of every other series and are entitled to preference over the Common Shares and any other shares ranking junior to the preference shares from time to time and may also be given such other preferences over the Common Shares and any other shares ranking junior to the preference shares as may be determined at the time of creation of such series.

Debentures

On December 16, 2009, CI completed the offering of an aggregate of \$550 million principal amount of Debentures comprised of \$100 million principal amount of Floating Rate Debentures due December 16, 2011; \$250 million principal amount of 2012 Debentures and \$200 million principal amount of 2014 Debentures. The Debentures are created and issued under a trust agreement made as of December 16, 2009 between the Corporation and Computershare Trust Company of Canada (the "**Corporation's Trust Indenture**")

The Floating Rate Debentures were repaid on December 16, 2011 and the 2012 Debentures were repaid on December 17, 2012.

Interest on the 2014 Debentures will be paid semi-annually in arrears on December 16 and June 16 in each year commencing June 16, 2010, at the rate of 4.19% per annum.

The 2014 Debentures are redeemable by CI, at its option in whole or in part, from time to time at a redemption price which is equal to the greater of the Government of Canada Yield, plus 41 basis points (0.41%). The Government of Canada Yield is the average of the mid-market yields to maturity, 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 the scheduled maturity date of the applicable Debentures.

If a Change of Control Triggering Event occurs CI will be required to make an offer to repurchase the outstanding Debentures at a price payable in cash equal to 101% of the outstanding principal amount of the Debentures together with accrued and unpaid interest, to the date of purchase. A Change of Control Triggering Event occurs if there is both a Change of Control of CI and a Rating Event. A Change of Control occurs if there is a sale of all or substantially all of CI's assets or the acquisition of beneficial ownership of more than 50% of the votes attached to the outstanding Common Shares. A Rating Event occurs if, following a Change of Control or announcement of a Change of Control, the rating of the Debentures is lowered to below investment grade rating (below BBB - for S&P and BBB (low) for DBRS) by each of the rating agencies who rate the Debentures, if there are two or less than two such agencies, and by two out of three of the agencies, if the Debentures are rated by three agencies.

The Debentures are fully and unconditionally guaranteed by CI Investments and must be guaranteed by any other subsidiary of CI which is a Material Subsidiary as that term is defined in the Corporation Trust Indenture. Reference is made to the Corporation's Trust Indenture for a full description of the terms of the Debentures. The Corporation's Trust Indenture can be viewed on www.sedar.com.

CII Debentures

On December 13, 2010, CI Investments completed an offering of \$300 million principal amount of debentures due December 14, 2016. Interest on the CII Debentures is paid semi-annually in arrears on December 13 and June 13 in each year commencing June 13, 2011 at a rate of 3.94% per annum until December 13, 2015 when the rate of interest will change to a floating rate. The CII Debentures are created and issued under a trust agreement made as of December 13, 2010 between the CI Investments and Computershare Trust Company of Canada (the "**CII Trust Indenture**")

The CII Debentures are redeemable by CI Investments, at its option in whole or in part, from time to time at a redemption price which is equal to the greater of the Government of Canada Yield, plus 36 basis points (0.36%). The Government of Canada Yield is the average of the mid-market yields to maturity, 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 the scheduled maturity date of the applicable Debentures.

If a Change of Control Triggering Event occurs, CI Investments will be required to make an offer to repurchase the CII Debentures at a price payable in cash equal to 101% of the outstanding principal amount of the CII Debentures together with accrued and unpaid interest, to the date of purchase. A Change of Control Triggering Event occurs if there is both a Change of Control of CI and a Rating Event. A Change of Control occurs if there is a sale of all or substantially all of the assets of CI Investments or CI or the acquisition of beneficial ownership of more than 50% of the votes attached to the outstanding Common Shares. A Rating Event occurs if, following a Change of Control or announcement of a Change of Control, the rating of the CII Debentures is lowered to below investment grade rating (below BBB - for S&P and BBB (low) for DBRS) by each of the rating agencies who rate the CII Debentures, if there are two or less than two such agencies, and by two out of three of the agencies, if the CII Debentures are rated by three agencies.

The CII Debentures are fully and unconditionally guaranteed by the Corporation and must be guaranteed by any other subsidiary of CI which is a Material Subsidiary as that term is defined in the CII Trust Indenture. Reference is made to the CII Trust Indenture for a full description of the terms of the CII Debentures. The CII Trust Indenture is filed on SEDAR.

Ratings

CII has received an issuer rating of A (low) from DBRS and the Debentures and the CII Debentures are rated A (low) with a “Stable” trend by DBRS. The “A (low)” rating assigned to the Debentures and the CII Debentures represents the third highest of the ten rating categories available from DBRS for long-term debt. Under the DBRS system, debt securities rated A (low) are of satisfactory credit quality and protection of interest and principal is considered substantial. While this is a favourable rating, entities in the A (low) category are considered to be more susceptible to adverse economic conditions and have greater cyclical tendencies than higher-rated companies. 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” trend helps give investors an understanding of DBRS’s opinion regarding the outlook for the rating.

The Corporation and CII have each received a corporate credit rating from S&P of BBB+ with a stable outlook. In addition, the Debentures and the CII Debentures are rated BBB+ with a “Stable” outlook by S&P. The “BBB+” rating is the fourth highest of the ten major rating categories for long-term debt and indicates S&P’s view that each of CI’s and CI Investments’ capacity to meet its financial commitment on the obligations is adequate, but the obligations are more subject 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 the rating is not likely to change over the intermediate term.

The Corporation has paid customary rating fees to DBRS and Standard and Poor’s in connection with the rating. Other than in the ordinary course of customary ratings fees as aforesaid, in the past two years, the

Corporation did not make any payments to either DBRS or Standard and Poor's in respect of any other services provided by either DBRS or Standard and Poor's to the Corporation.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. A security rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency.

SHAREHOLDER RIGHTS PLAN

The Corporation entered into an agreement (the "**Rights Plan Agreement**") dated as of January 1, 2009 with Computershare Investor Services Inc., as rights agent, in connection with the adoption of a shareholder rights plan (the "**Rights Plan**"). The Rights Plan Agreement supersedes and replaces the rights plan agreement of the Fund dated as of October 28, 2008 and was ratified and approved at a meeting of voting unitholders of the Fund held December 19, 2008.

The Rights Plan required that the Independent Shareholders (as that term is defined in the Rights Plan) of the Corporation be asked to ratify the continuation of the Rights Plan at the annual meeting of the shareholders held in 2011. The Corporation obtained the approval to continue the Rights Plan for a further term of three years, at the annual and special meeting of shareholders held on June 1, 2011. Accordingly, the Rights Plan will terminate at the close of the annual meeting of shareholders in 2014. Some minor amendments to the Rights Plan were also approved by the shareholders at the meeting on June 1, 2011.

The Notice of Meeting and Management Information Circular of the Corporation dated May 2, 2011 includes a summary of the Amended and Restated Rights Plan approved by the shareholders. The complete text may be found on SEDAR at www.sedar.com.

DIVIDENDS

Current Dividend Policy

The Corporation pays a monthly cash dividend. At its February 2014 meeting, the Board declared dividends of \$0.095 per Common Share to be paid to shareholders of record on each of February 28, 2014, March 31, 2014 and April 30, 2014. Dividends are paid at the discretion of the Board and the dividend rate will be reviewed from time to time by the Board after giving consideration to CI's cash flow, financial position, net earnings, sales outlook and other relevant factors.

Historical Dividend Record

2013

During 2013 the Corporation paid dividends to shareholders as follows:

<u>Record Date</u>	<u>Payment Date</u>	<u>Dividend per Common Share (\$)</u>
January 31, 2013	February 15, 2013	0.080
February 28, 2013	March 15, 2013	0.085
March 31, 2013	April 15, 2013	0.085
April 30, 2013	May 15, 2013	0.085
May 31, 2013	June 14, 2013	0.090
June 30, 2013	July 15, 2013	0.090
July 31, 2013	August 15, 2013	0.090
August 31, 2013	September 13, 2013	0.090
September 30, 2013	October 15, 2013	0.090
October 31, 2013	November 15, 2013	0.090
November 30, 2013	December 13, 2013	0.095
December 31, 2013	January 15, 2014	0.095
	Total	1.065

2012

During 2012 the Corporation paid dividends to shareholders as follows:

<u>Record Date</u>	<u>Payment Date</u>	<u>Dividend per Common Share (\$)</u>
January 31, 2012	February 15, 2012	0.075
February 29, 2012	March 15, 2012	0.080
March 31, 2012	April 13, 2012	0.080
April 30, 2012	May 15, 2012	0.080
May 31, 2012	June 15, 2012	0.080
June 30, 2012	July 13, 2012	0.080
July 31, 2012	August 15, 2012	0.080
August 31, 2012	September 14, 2012	0.080
September 30, 2012	October 15, 2012	0.080
October 31, 2012	November 15, 2012	0.080
November 30, 2012	December 14, 2012	0.080
December 31, 2012	January 15, 2013	0.080
	Total	0.955

2011

During 2011 the Corporation paid dividends to shareholders as follows:

Record Date	Payment Date	Dividend per Common Share (\$)
January 31, 2011	February 15, 2011	0.070
February 28, 2011	March 15, 2011	0.070
March 31, 2010	April 15, 2011	0.075
April 30, 2011	May 13, 2011	0.075
May 31, 2011	June 15, 2011	0.075
June 30, 2011	July 15, 2011	0.075
July 31, 2011	August 15, 2011	0.075
August 31, 2011	September 15, 2011	0.075
September 30, 2011	October 14, 2011	0.075
October 31, 2011	November 15, 2011	0.075
November 30, 2011	December 15, 2011	0.075
December 31, 2011	January 13, 2012	0.075
	Total	0.890

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the trading symbol “CIX”. The price ranges and volume traded of the Common Shares on the TSX for each month for the fiscal year ended December 31, 2013 are set out below.

Month	Price (\$)		Trading Volume (000's)
	High	Low	
January	27.18	24.61	4,202
February	27.91	26.27	4,663
March	28.18	26.72	6,659
April	28.94	27.45	6,305
May	30.99	28.19	5,439
June	31.60	29.38	4,434
July	31.81	29.65	3,493
August	33.16	31.01	4,862
September	33.09	31.14	4,104
October	34.92	31.17	5,968
November	35.59	33.84	4,625
December	35.59	33.21	3,466

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Designation of class	Number of securities held in escrow or that are subject to a contraction restriction on transfer	Percentage of class as at February 28, 2014
Common Shares	572,901	0.2%

The Corporation acts as escrow agent with respect to the above shares. On or about November 29, 2016, the escrow period will end and up to 572,901 shares will be released with any remaining shares held in escrow to be cancelled by the Corporation.

DIRECTORS AND OFFICERS

 <p>Sonia A. Baxendale Toronto, Ontario Canada Director Since 2013 Independent Age: 51 Areas of Expertise: Financial Services; Senior Executive / Strategic Leadership; Talent Management & Executive Compensation</p>	<p>Mrs. Baxendale was a senior executive at Canadian Imperial Bank of Commerce for almost 20 years and was most recently the President of Retail Banking and Wealth Management at that bank until 2011. She has experience leading significant line and support operations, executing acquisitions, joint ventures and strategic partnerships globally. Prior to joining CIBC, Mrs. Baxendale has experience in marketing, brand and product management at American Express and prior to that Saatchi & Saatchi Advertising. Mrs. Baxendale has a HBA from the University of Toronto.</p>	
	Board Committees	CI Shares owned or controlled (\$ value based on closing price of CI shares on February 28, 2014)
	Audit	0
	Human Resources and Compensation	
	Other Board Directorships	
<p>Mrs. Baxendale is a director of Board of Foresters Insurance.</p>		

 <p>Ronald D. Besse Toronto, Ontario Canada Director Since 1995 Independent Age: 75 Areas of Expertise: Financial Expert; Business Administration; Governance</p>	<p>Mr. Besse is the Lead Director of the Corporation. Mr. Besse is currently the President of Besseco Holdings Inc., a private investment company. In prior positions, Mr. Besse was the Chairman, President and Chief Executive Officer of Gage Learning Corporation and related predecessor companies from 1978 until 2003. Mr. Besse was a director of Rogers Communications Inc. from 1984-2012 and served as Chair of the Audit Committee of that organization for a number of years. Mr. Besse graduated from the Business Administration Program at Ryerson University (1960) and was awarded the Alumni Award of Distinction, Business Administration (1998) and an Honorary Doctorate of Commerce (2004). Mr. Besse is a member of the World President’s Organization and is a past president of the Canadian Book Publisher’s Council.</p>	
	<p>Board Committees</p>	<p>CI Shares owned or controlled (\$ value based on closing price of CI shares on February 28, 2014)</p>
	<p>Governance</p>	<p>99,025 \$3,395,567</p>
	<p>Other Board Directorships</p>	
	<p>Mr. Besse has served as a Director of several companies in the past.</p>	

 <p>G. Raymond Chang Toronto, Ontario Canada Director Since 1994 Independent Age: 65 Areas of Expertise: Financial Expert; Chartered Financial Analyst</p>	<p>Mr. Chang is the President of G. Raymond Chang Ltd. Prior to September 2010 Mr. Chang was the Chair of the Board of the Corporation. Prior to 1999 Mr Chang was the President and Chief Executive Officer of the Corporation. Mr. Chang holds his Chartered Financial Analyst designation.</p>	
	<p>CI Shares owned or controlled (\$ value based on closing price of CI shares on February 28, 2014)</p>	
	<p>11,644,792 \$399,299,918</p>	
	<p>Other Board Directorships</p>	
	<p>Mr. Chang is a Chairman of Jameson Bank, Color Ad Packaging Ltd and Mercatus Technologies Inc., and a director of Camilion Solutions Inc., Grace Kennedy Limited and Corrpak Jamaica Limited.</p>	

 <p>Paul W. Derksen Clarksburg, Ontario Canada Director Since 2002 Independent Age: 63 Areas of Expertise: Financial Expert; Chartered Accountant</p>	<p>Mr. Derksen was the Executive Vice-President and Chief Financial Officer of Sun Life Financial Inc. until March 2007, where he was responsible for Sun Life Financial’s Actuarial, Investment and Risk Management functions and for Mergers & Acquisitions and Investor Relations. Prior to joining Sun Life, Mr. Derksen was Executive Vice President and Chief Financial Officer of CT Financial Services Inc. and Canada Trustco Mortgage Company and Chairman of Truscan Property Fund, Canada Trustco’s real estate investment subsidiary and Executive Vice-President of Merrill Lynch Canada Inc. Mr. Derksen is a Chartered Accountant and holds an Honours B.A. in Business Administration from the Ivey School of Business at the University of Western Ontario.</p>	
	<p>Board Committees</p>	<p>CI Shares owned or controlled (\$ value based on closing price of CI shares on February 28, 2014)</p>
	<p>Audit (Chair)</p>	<p>16,148</p>
	<p>Human Resources and Compensation</p>	<p>\$553,715</p>
	<p>Other Board Directorships</p>	
<p>Mr. Derksen is a director of CI Investments Inc.</p>		

 <p>William T. Holland Toronto, Ontario Canada Director Since 1994 Not Independent Age:55 Areas of Expertise: Mutual Funds; Financial Services</p>	<p>Mr. Holland is the Chairman of the Corporation. He has been employed by the Corporation or its predecessors since 1989 holding increasingly senior positions. Prior to September 2010 he had been the Chief Executive Officer of the Corporation, a position he held for more than 10 years.</p>	
	<p>CI Shares owned or controlled (\$ value based on closing price of CI shares on February 28, 2014)</p>	
	<p>9,600,046</p>	
	<p>\$329,185,577</p>	
	<p>Other Board Directorships</p>	
<p>Mr. Holland is on the Board of NEXJ Systems Inc, a public company which provides enterprise CRM solutions for the financial services, insurance and healthcare industries. He is also on the Board of InfraReDx, Inc., a private medical device company.</p>		

 <p>H.B. Clay Horner Toronto, Ontario Canada Director Since 2011 Independent Age: 54 Areas of Expertise: Lawyer; Mergers and Acquisitions</p>	<p>Mr. Horner is the Chairman and a partner of Osler, Hoskin & Harcourt LLP, specializing in corporate finance, securities and mergers and acquisitions, including cross-border transactions. Mr. Horner holds a B.A. from Queen’s University, LLB from the University of Toronto and LLM from Harvard University.</p>	
	<p>Board Committees</p>	<p>CI Shares owned or controlled (\$ value based on closing price of CI shares on February 28, 2014)</p>
	<p>Governance</p>	<p>4,600 \$157,734</p>
	<p>Human Resources and Compensation (Chair)</p>	

 <p>Stephen A. MacPhail Toronto, Ontario Canada Director Since 2010 Not Independent Age: 57 Areas of Expertise: Financial Expert</p>	<p>Mr. MacPhail was appointed the Chief Executive Officer of the Corporation in September 2010. He has been employed at CI or its predecessors since 1994 in increasingly senior positions including Chief Financial Officer, Chief Operating Officer and President. Mr. MacPhail has a BComm from McMaster University and a Masters of Business Administration from York University.</p> <p>The Corporation has a policy restricting the Chief Executive Officer from sitting on the Board of Directors of any public companies in recognition of the fact that our mutual funds invest in many publicly traded companies and as a result the Chief Executive Officer’s membership on public company Boards could lead to conflicts of interest.</p>	
	<p>CI Shares owned or controlled (\$ value based on closing price of CI shares on February 28, 2014)</p>	
	<p>853,896 \$29,280,094</p>	

 <p>David P. Miller Toronto, Ontario Canada Director Since 2013 Independent Age: 64 Areas of Expertise: Lawyer; Mergers and Acquisitions; Options</p>	<p>Mr. Miller is Senior Vice-President, General Counsel and Secretary of Rogers Communications Inc. He has been with Rogers for over 25 years in increasingly senior roles, and has extensive experience in acquisitions and public and private financing. Mr. Miller holds a BCL and LLB from McGill University.</p>	
	Board Committees	CI Shares owned or controlled (\$ value based on closing price of CI shares on February 28, 2014)
	Audit	1,200
	Governance	\$41,148
	Other Board Directorships	
<p>Mr. Miller is a chairman of the Advisory Board Atlantic Packaging Ltd.</p>		

 <p>Stephen T. Moore Toronto, Ontario Canada Director Since 2007 Independent Age: 60 Areas of Expertise: Wealth Management</p>	<p>Mr. Moore is the Managing Director of Newhaven Asset Management Inc., a wealth management company. Prior to January 2006 Mr. Moore held a number of senior positions in the financial services industry focused in the areas of investment research, institutional sales, corporate finance and private equity. Mr. Moore was a member of the Board of Governors of CI Investments Inc. until July 2007 which has responsibility for addressing any actual or perceived conflicts of interest that may arise in connection with management of the mutual funds managed by CI Investments Inc. Mr. Moore holds a B.A. in Economics and a Masters of Business Administration from Queen's University.</p>	
	Board Committees	CI Shares owned or controlled (\$ value based on closing price of CI shares on February 28, 2014)
	Governance (Chair)	19,671
	Audit	\$674,519
	Other Board Directorships	
<p>Mr. Moore is a trustee of the Advantaged Preferred Share Trust.</p>		

 <p>Tom P. Muir Toronto, Ontario Canada Director Since 2011 Independent Age: 58 Areas of Expertise: Financial Expert; Corporate Finance; Mergers and Acquisitions</p>	<p>Mr. Muir is a Co-Managing Director of Muir Detlefsen & Associates Limited, since September 2007. His prior positions include Executive Vice-President and Chief Financial Officer of Maple Leaf Foods Inc. and Co-Head of the Investment Banking Group at RBC Dominion Securities Inc. Mr. Muir is a Fellow, Chartered Accountant and a Fellow, Chartered Business Valuator. Mr. Muir has a BComm from the University of Toronto.</p>	
	Board Committees	CI Shares owned or controlled (\$ value based on closing price of CI shares on February 28, 2014)
	Audit	20,392
	Governance	\$699,242
	Other Board Directorships	
<p>Mr. Muir is a director of Mega Brands Inc. and of Solium Capital Inc. He is also a director and Chief Transaction Officer of Ceres Global Ag Corp.</p>		

 <p>A. Winn Oughtred Toronto, Ontario Canada Director Since 1994 Independent Age: 71 Areas of Expertise: Lawyer</p>	<p>Mr. Oughtred is a retired lawyer. He practiced corporate and securities law for over 40 years and was counsel to Borden Ladner Gervais LLP, from January 1 to May 31, 2009 after retiring as a partner of the firm on December 31, 2008. Mr. Oughtred was a managing partner of Borden Ladner Gervais' Toronto office from 2005 to 2008. Mr Oughtred is a certified director by the Institute of Corporate Directors. Mr. Oughtred received his LLB from Osgoode Hall Law School.</p>	
	Board Committees	CI Shares owned or controlled (\$ value based on closing price of CI shares on February 28, 2014)
	Human Resources and Compensation	17,525 (direct and indirect) and 4,626,236 (control and direction) \$159,234,565
	Other Board Directorships	
	<p>Mr. Oughtred is a director of CI Investments Inc. and of Oppenheimer Holdings Inc. He is also a member of the Independent Review Committee of the Guardian Capital Funds.</p>	

 <p>David J. Riddle Vancouver, British Columbia Canada Director Since 1997 Independent Age: 58 Areas of Expertise: Mutual Funds</p>	<p>Mr. Riddle has been the President of C-MAX Capital Inc., a private investment company, since 2000. Mr. Riddle has over 20 years experience in the financial services industry with major Canadian investment dealers and as a senior executive in the mutual fund industry. Mr. Riddle received a Bachelor of Arts in Economics from the University of Calgary.</p>	
	Board Committees	CI Shares owned or controlled
	Audit	(\$ value based on closing price of CI shares on February 28, 2014)
Human Resources and Compensation	1,406,541	
	\$48,230,291	

The term of office of each director will expire at the termination of the next annual meeting of holders of the Common Shares or until his successor is elected or appointed.

EXECUTIVE OFFICERS

The following chart sets out information concerning the executive officers of the Corporation.

Name	Position	Shares Owned
WILLIAM T. HOLLAND Toronto, Ontario, Canada	Chairman, CI Financial Corp.	9,600,046
DOUGLAS J. JAMIESON Toronto, Ontario, Canada	Executive Vice-President and Chief Financial Officer, CI Financial Corp.	86,000
STEPHEN A. MACPHAIL Toronto, Ontario, Canada	President and Chief Executive Officer, CI Financial Corp.	853,896
SHEILA A. MURRAY Toronto, Ontario, Canada	Executive Vice-President, General Counsel and Secretary, CI Financial Corp.	62,948
DAVID C. PAULI Mississauga, Ontario, Canada	Executive Vice-President and Chief Operating Officer, CI Financial Corp.	600,200

Each of the executive officers has held the same principal occupation within the five preceding years except: Mr. Holland who prior to September 2010 was the Chief Executive Officer of the Corporation; and Mr. MacPhail who prior to September 2010 was the President of the Corporation.

As at February 28, 2014, the directors and executive officers of CI as a group beneficially owned, directly or indirectly, or exercised control or direction over approximately 29,059,220 Common Shares (representing approximately 10.2% of the outstanding Common Shares).

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of CI, except as set forth below, none of the directors or executive officers of CI (a) are, as at the date hereof, or have been, within the 10 years before the date of this annual information form, a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an “**Order**”) that was issued while the person was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, (b) are, as at the date of this annual information form, or have been within 10 years before the date of this annual information form, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (c) have, within the 10 years before the date of this annual information form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Mr. Moore was, prior to January 26, 2010, a trustee of Impax Energy Services Income Trust (the “**Trust**”). On December 14, 2009, the Trust filed for creditor protection in order to facilitate an orderly sale and wind-up of operations. On January 26, 2010, all of the trustees and directors of the Trust resigned following the sale of substantially all of the assets of the Trust. Upon the resignations of the trustees and directors, trading in the units of the Trust was suspended for failure to maintain a minimum number of directors as required under the rules of the TSX Venture Exchange.

Penalties and Sanctions

To the knowledge of CI, none of the directors or executive officers of CI nor any personal holding company owned or controlled by any of them (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

CI Investments is a party to two class action proceedings brought by investors in CI mutual funds, in each case asking for unspecified damages resulting from CI Investments' alleged failure to implement measures to fully protect the funds' investors against costs of frequent trading activity. These proceedings were instituted in the provinces of Ontario and Quebec in 2004. The Quebec class action was authorized on September 17, 2010 and the outcome of certain procedural motions that were dealt with by the Court in 2012 are still pending. On December 12, 2013, the Supreme Court of Canada denied an appeal by CI Investments in the Ontario class action. The decision is not a finding of liability against CI Investments, but simply allows the Ontario class action against CI Investments and one other mutual fund company to proceed. CI Investments intends to vigorously defend itself in the both class actions on the basis that, among other things, the affected investors in its funds were fully compensated by CI Investments through a compensation program that was established in 2004 in a settlement agreement with the Ontario Securities Commission.

Various other legal proceedings are pending that challenge certain of our practices or actions. We consider that the aggregate liability resulting from these other proceedings will not be material to our financial position or results of operations.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc. acts as Transfer Agent and Registrar for the Common Shares and maintains registers of transfers of the Common Shares in Toronto, Montreal and Vancouver.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to CI:

- (a) the Distribution Agreement dated July 25, 2002 between Sun Life and CI, and amended July 24, 2007 and May 7, 2010, pursuant to which CI obtains preferred access to approximately 3,000 independent career advisors of Sun Life, described under "Asset Management Segment - Distribution and Marketing of the Managed Funds".
- (b) The Corporation's Trust Indenture dated December 16, 2009 together with the First and Second Supplemental Indentures, pursuant to which the Debentures have been issued.
- (c) The CII Trust Indenture dated December 13, 2010 together with the First Supplement Indenture, pursuant to which the CII Debentures have been issued.
- (d) The credit facility between CI and the Toronto Dominion Bank and Canadian Imperial Bank of Commerce dated March 17, 2011 and renewed on March 2, 2012 to March 14, 2013 and renewed on February 28, 2013 to March 13, 2014, as described under "General Development of the Business - Significant Developments from 2011-2013".

INTERESTS OF EXPERTS

Ernst & Young LLP, Chartered Accountants, the external auditors of the Corporation, reported on the fiscal 2013 audited financial statements of the Corporation which were filed by the Corporation with securities regulators pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*. Ernst & Young LLP is independent with respect to the Fund and the Corporation in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

AUDIT COMMITTEE INFORMATION

Audit Committee's Charter

The Audit Committee has adopted a written charter that sets out its mandate and responsibilities. A copy of the charter is attached hereto as Appendix "A".

Composition of the Audit Committee

The Audit Committee is comprised of six Directors, each of whom is independent and financially literate (as such terms are defined under National Instrument 52-110 – *Audit Committees*): Paul W. Derksen (Chairman), Sonia A. Baxendale, David P. Miller, Stephen T. Moore, Tom P. Muir and David J. Riddle.

Relevant Education and Experience

The following summarizes the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member.

Sonia A. Baxendale, 51, is a Corporate Director. Mrs. Baxendale was a senior executive at CIBC for almost 20 years and was most recently the President of Retail Banking and Wealth Management at that bank until 2011, where she was accountable for 80% of the bank's total revenue and profitability. Mrs. Baxendale has a HBA from the University of Toronto.

Paul W. Derksen, 63, is a Corporate Director. Prior to March, 2007, Mr. Derksen was Executive Vice-President and Chief Financial Officer of Sun Life Financial Inc., where he was responsible for Sun Life Financial's Actuarial, Investment and Risk Management functions and for Mergers & Acquisitions and Investor Relations. Mr. Derksen was Executive Vice-President and Chief Financial Officer of CT Financial Services Inc. and Canada Trustco Mortgage Company, Chairman of Truscan Property Fund, Canada Trustco's real estate investment subsidiary, and Executive Vice-President of Merrill Lynch Canada Inc. Mr. Derksen is a Chartered Accountant and holds an Honours B.A. in Business Administration from the Ivey School of Business at the University of Western Ontario.

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Stephen T. Moore, 60, is the Managing Director of Newhaven Asset Management Inc. a wealth management company. Prior to January 2006 Mr. Moore held a number of senior positions in the financial services industry focused in the areas of investment research, institutional sales, corporate finance and private equity. Mr. Moore was a member of the Board of Governors of CI Investments Inc. until July 2007 which has responsibility for addressing any actual or perceived conflicts of interest that may arise in connection with management of the mutual funds managed by CI Investments Inc. Mr. Moore holds a B.A. in Economics and a Masters of Business Administration from the Queen's University.

Tom P. Muir, 58, is a Co-Managing Director of Muir Detlefsen & Associates Limited since September 2007. His prior positions include Executive Vice-President and Chief Financial Officer of Maple Leaf Foods Inc. and Co-Head of the Investment Banking Group at RBC Dominion Securities Inc. Mr. Muir is a Chartered Accountant and holds his Chartered Business Valuator designation. Mr. Muir has a BComm from University of Toronto.

David J. Riddle, 58, Mr. Riddle has been the President of C-MAX Capital Inc., a private investment company, since 2000. Mr. Riddle has over 20 years experience in the financial services industry with major Canadian investment dealers and as a senior executive in the mutual fund industry. Mr. Riddle received a Bachelor of Arts in Economics from the University of Calgary.

Pre-Approval Policies and Procedures

The following policies and procedures have been adopted by the Audit Committee for the engagement of CI's external auditors for non-audit services.

On proposed non-audit services, the timing of which is not urgent, management is required to submit a request for pre-approval of same at the next quarterly Audit Committee meeting.

For all other proposed non-audit services, the Committee has delegated to its Chairman the responsibility and authority to review and, in his discretion, approve the proposed non-audit services under the following procedures. Designated finance personnel are required to submit to the Chairman of the committee, in writing, a request for pre-approval of the particular non-audit service, such request to disclose all necessary details of the proposed non-audit services such as the scope of work, the estimated time for completion, and the estimated fees for such services. Except in extenuating circumstances, requests shall be made to the Chairman prior to the engagement of the auditors for the particular service. Upon receipt of the request, the Chairman of the committee shall promptly either accept the request or decline the request with brief reasons, in either case in writing and after taking into account the impact of the services on the auditors' independence. Management must present any requested pre-approvals to the committee at its next quarterly meeting. CI shall retain all correspondence pertaining to the requests in its records.

External Auditors' Service Fee

The aggregate amounts paid or accrued by CI with respect to fees, excluding expenses, payable to the external auditors for audit, audit-related, tax and other services for the fiscal years ended December 31, 2013 and December 31, 2012 were as follows:

Type of Service	Fiscal year ended December 31, 2013 (\$)	Fiscal year ended December 31, 2012 (\$)
Audit.....	1,110,000	1,070,000
Audit-Related ⁽¹⁾	180,000	175,000
Tax ⁽²⁾	225,000	185,000
All Other Fees ⁽³⁾	25,000	60,000
Canadian Public Accountability Board	21,800	21,400
Total	1,561,800	1,511,400

Notes:

- (1) The services comprising these fees were quarterly reviews, translation, and acquisition analysis.
- (2) The services comprising these fees were tax returns and other tax advice.
- (3) The services comprising these fees included GST research.

ADDITIONAL INFORMATION

General

Additional information relating to CI may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Common Shares, options to purchase Common Shares, and securities authorized for issuance under equity compensation plans, will be contained in the Management Information Circular of CI for its Annual Meeting of Shareholders. Additional financial information is provided in CI's financial statements and management's discussion and analysis for its most recently completed fiscal year.

APPENDIX “A”

CI FINANCIAL CORP.

AUDIT COMMITTEE CHARTER

As of January 1, 2014

1. Introduction

The Audit 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.

Independence of Members

Each member of the Committee must be independent. “Independent” shall have the meaning, as the context requires, given to it in National Instrument 52-110 – *Audit Committees* (the “**Instrument**”), as may be amended from time to time.

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 and provide reports of the Audit Committee to the Board.

Financial Literacy of Members

At the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements, or shall otherwise meet the financial literacy requirements of the Instrument.

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.

3. Meetings

Number of Meetings

The Committee 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 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 may 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 regularly scheduled quarterly meeting of the Audit Committee. Other Board members are also entitled to attend meetings of the Audit Committee. 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 quarterly with the auditors without the presence of management.

Access to Management

The Committee shall have unrestricted 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 the Instrument.

Financial Executives

The Committee shall review and discuss with management and the Board the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

Financial Reports

(a) General

The Audit Committee is responsible for overseeing the Company’s financial statements and financial disclosures. 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.

(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 judgments and estimates used by management;
3. risk management policies; and
4. compliance systems and procedures.

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 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 the Instrument.

(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.

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 dealt with in annual and quarterly reviews.

Managing the Relationship with the Auditors

(a) Appointment and Compensation

The Audit Committee shall review and, if advisable, select and recommend 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 auditors' annual audit plan. The Audit Committee shall 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 lead partner(s) of the auditors 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.

(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 periodically review and approve the mandate, plan, budget and staffing of the internal audit department. 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 require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure controls and procedures and to 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; and 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 program, 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.

Compliance with Legal and Regulatory Requirements

The Audit Committee shall review reports from the Company's Corporate Secretary 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 Audit Committee shall review management's evaluation of and representations relating to compliance with applicable law and guidance, and management's plans to remediate any deficiencies identified.

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. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion. 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.

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.

APPENDIX “B”

CI FINANCIAL CORP.

GOVERNANCE COMMITTEE CHARTER

As of January 1, 2014

1. Purpose And Scope

At CI Financial Corp. (the “**Company**”), “Corporate Governance” is the process and structure used to oversee the management of the business affairs of the Company. The process and structure define the division of power between, and establish mechanisms for achieving accountability by, the Board of Directors (the “**Board**”) and senior management. The Governance Committee (the “**Committee**”) is responsible for developing the Company’s approach to governance issues and overseeing the corporate governance process.

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.

Independence of Members

Each member of the Committee shall be independent. “Independent” shall have the meaning, as the context requires, given to it in National Policy 58-101 – *Disclosure of Corporate Governance Practices*, as may be amended from time to time.

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. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. Meetings

Number of Meetings

The Committee shall meet as many times per year as required to carry out its duties and responsibilities.

Location of Meetings

The Committee may meet at any place within or outside of Canada and may conduct meetings by conference call.

Calling of Meetings

A meeting of the Committee may be called by the Chair of the Committee, by the Chairman of the Board, or by a majority of the Committee members, on not less than 48 hours notice to the members of the Committee specifying the place, date and time of the meeting. Meetings may be held at any time without

notice if all members of the Committee waive notice. If a meeting of the Committee is called at the request of anyone other than the Chairman of the Board or the Chairman of the Committee, the person(s) calling such meeting shall so inform the Chairman of the Board and the Chair of the Committee.

Quorum

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

Minutes; Reporting to the Board

The Chair (or, in the absence of the Chair, the acting Chair) of the Committee shall appoint a person to act as secretary of meetings of the Committee.

The secretary 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 made available to the members of the Board. However, the Chair may 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 Committee may invite to a meeting any directors, 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.

Attendance of Management

In its discretion, the Committee may elect to conduct all or any part of any meeting in the absence of management.

Agenda

The agenda for meetings of the Committee shall be established by the Chair in consultation with appropriate members of the Committee and senior management of the Company.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

4. Duties and Responsibilities

Subject to the powers and duties of the Board, the Board has delegated the following powers and duties to be performed by the Committee on behalf of and for the Board:

Composition and Qualifications for the Board

The Committee shall develop and update a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills, experience and any anticipated retirement dates of the Board members as well as the strategic direction of the Company, and it shall report to the Board thereon at least annually.

The Committee shall undertake on an annual basis an examination of the size of the Board, with a view to determining the impact of the number of directors on the effectiveness of the Board, and then recommend to the Board, if necessary, a reduction or increase in the size of the Board.

Assessments

The Committee will ensure that an appropriate system is in place to annually evaluate the effectiveness of the Board as a whole as well as the committees of the Board with a view to ensuring that they are fulfilling their respective responsibilities and duties. In connection with these evaluations, each year every director will be requested to provide his or her assessment of the effectiveness of the Board and each committee as well as the contribution and performance of the individual directors. These evaluations should take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant facts.

Compensation of the Directors

The Committee shall recommend to the Board for its approval the terms for the compensation of directors, the Chairman of the Board (if applicable) and those acting as committee chairs and committee members that adequately reflect the responsibilities they are assuming.

Succession Planning

The Committee shall review the Company's succession planning for directors and report to the Board with respect thereto. The Committee will on a regular basis review each director's continuation on the Board. This process also will allow each director the opportunity to confirm his or her desire to continue as a member of the Board.

Nominations

The Committee shall, in consultation with the Chairman of the Board and the Chief Executive Officer, as required, recruit and identify individuals qualified to become new Board members and recommend to the Board new director nominees for the next annual meeting of shareholders or for appointment by the Board between shareholder meetings.

In making its recommendations, the Committee shall consider the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, the competencies and skills that the Board considers each existing director to possess, and the competencies and skills any new nominee will bring to the boardroom. Such an assessment shall be based primarily on the following criteria:

- judgment, character, expertise, skills and knowledge useful to the oversight of the Company's business and the business of its subsidiaries,
- diversity of viewpoints, backgrounds, experiences and other demographics,
- business or other relevant experience (including current or previous experience on other boards),
- the extent to which the interplay of the individual's expertise, skills, knowledge and experience with that of other members of the Board will build a board that is effective, collegial and responsive to the needs of the Company and its subsidiaries, and

- the appropriate level of representation on the Board by directors who are independent of management and who are neither officers nor employees of the Company or any of its subsidiaries.

The Committee shall also consider the amount of time and resources that nominees have available to fulfill their duties as a Board member.

The Committee shall assess, against regulatory requirements and the Company's standards for directors' independence, whether a candidate would be independent and advise the Board of that assessment.

The Committee shall also, in consultation with the Chairman of the Board, annually or as required, recommend to the Board, the individual Directors to serve on the various Committees.

Removal of a Director

The Committee may also recommend, for Board approval, the removal of a director from the Board or from a Board Committee if he or she is no longer qualified to serve as a director under applicable requirements or for any other reason the Committee considers appropriate.

Conflicts of Interest

The Committee shall monitor conflicts of interest (real or perceived) of both the Board and management in accordance with the Code of Business Conduct and Ethics.

Corporate Governance Overview

The Committee shall conduct a periodic review of the Company's corporate governance policies and make policy recommendations aimed at enhancing Board and committee effectiveness. The Committee shall review overall governance principles, monitor disclosure and best practices of comparable and leading companies, and bring forward to the Board a list of corporate governance issues for review, discussion or action by the Board or a Committee thereof.

The Committee shall review the disclosure in the Company's public disclosure documents relating to corporate governance practices and prepare recommendations to the Board regarding any other reports required or recommended on corporate governance.

The Committee shall propose agenda items and content for submission to the Board related to corporate governance issues and provide periodic updates on recent developments in corporate governance to the Board.

The Committee shall conduct a periodic review of the relationship between management and the Board, with a view to ensuring that the Board functions independently of management and to ensuring effective communication and the provision of information to directors in a timely manner.

Education of Board Members

The Committee shall review, monitor and make recommendations regarding the ongoing development of existing directors. The Committee shall ensure that there is an orientation program for new directors which introduces them to the operation of the business and affairs of the Company and the role of, and expectations as to the contributions to be made, by the Board and its committees. The Committee shall work with management to make opportunities available to the directors to learn more about the Company and the industry and to meet with employees.

Responsibilities of Board Members and Committees

The Committee shall review annually the Board of Directors' Mandate and where necessary, recommend that changes be made. In addition, the Committee shall recommend procedures to ensure that the Board and the committees function independently of management.

Review of Breaches of the Code of Business Conduct and Ethics

The Committee shall receive reports from the Chief Executive Officer regarding breaches of the Code of Business Conduct and Ethics, and shall in turn report those breaches to the Board. The Committee shall review investigations and any resolutions of complaints received under the Code of Business Conduct and Ethics and report annually to the Board thereon.

Whistleblowing

The Governance Committee shall be responsible for review and consideration of any report or complaint made pursuant to the Company's whistleblowing policy and any other complaints of which the Chairman is advised which are or could be of a material nature.

Other Directorships and Significant Activities

The Chair of the Governance Committee is to be notified before a director accepts membership on other boards of directors (or similar bodies) or any audit committee or other significant committee assignment on any other board of directors (or similar body), or establishing other significant relationships with businesses, institutions, governmental units or regulatory entities, particularly those that may result in significant time commitments or a change in the director's relationship to the Company or its affiliates. The Governance Committee shall consider the matter and advise the director accordingly.

Continuation of Board Members

When a director's principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board (determined by reference to factors such as country of principal residence, principal occupation, industry affiliation, other boards on which the director serves etc.), the Chairman of the Governance Committee is to be advised of such change by the director. The Governance Committee will consider whether the director should continue on the Board and recommend to the Board whether, in light of all the circumstances, the Board should request that the director resign.

5. Functioning of Committee

The Committee shall have unrestricted access to Company personnel and documents and the resources it determines to be necessary or advisable to permit it to carry out its duties and responsibilities.

The Committee may, at the Company's expense, engage such outside advisers as it determines necessary or advisable to permit it to carry out its duties and responsibilities.

6. No Rights Created

This Charter is a statement of broad policies and is intended as a component of the flexible 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.

7. Annual Review of the Charter

The Committee shall review and reassess the Charter for adequacy at least annually and make changes as it deems necessary. The Committee shall report to the Board on the adequacy of the Charter at the first regularly scheduled Board meeting following the fiscal year end of the Company.