

# CI FINANCIAL CORP.

## BOARD OF DIRECTORS' MANDATE

As of February 13, 2020

**The Board of Directors (the “Board”) of CI Financial Corp. (the “Company”) is responsible for the stewardship of the Company and in that regard has the duty to manage or supervise the management of the business and affairs of the Company.**

### **Composition**

The Board is elected annually by shareholders. The articles of incorporation of the Company stipulate that the Board shall consist of a minimum of three and no more than fifteen Directors, with the number of Directors from time to time within such range being fixed by resolution of the Directors.

A majority of Directors 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. All committees of the Board shall be composed solely of independent Directors.

The Board shall consider its size and composition on a regular basis, taking into account its responsibilities, the collective skills, expertise, experience and attributes of its members and the risks and strategic direction of the Company.

### **Term Limits**

Effective May 10, 2018, the Board adopted a twelve-year term limit for all Directors, applicable to Directors who have served on the Board less than twelve years as of that date. Term limits are not intended to discourage the full and frank assessment of each Director’s contribution to the Board on an annual basis. Term limits do not apply to the Chief Executive Officer.

Effective February 13, 2020, the Board adopted a term limit of up to four years for the position of Lead Director.

Effective upon the appointment of the next duly appointed Chairman of the Board, the Board adopted a term limit of up to five years for such position.

### **Duties and Responsibilities**

The Board is responsible for the supervision of the business and affairs of the Company. Each member of the Board must act honestly and in good faith with a view to the best interests of the Company, and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In fulfilling its mandate, the Board’s oversight and monitoring responsibilities include:

#### **1. Strategic Planning**

- Developing a depth of knowledge of the Company’s operations and business to assess the assumptions on which the Company’s strategic plans are based.

- Providing oversight and guidance on the strategic issues facing the Company and the development of the strategic plan.
- Approving significant business decisions not specifically delegated to management.
- Approving, on at least an annual basis, a strategic plan of the Company, taking into account the risks and strategic direction of the Company.

## **2. Financial Information and Internal Controls**

- Overseeing the financial reporting and disclosure obligations of the Company imposed pursuant to laws, regulations, rules or policies.
- Monitoring the integrity of the Company's management information systems and the effectiveness of its internal controls through regular reporting by management and others.
- Overseeing the processes underlying management's certification and attestations with respect to the Company's internal control and disclosure control procedures.
- Approving the Company's financial statements, management's discussion and analysis (MD&A) and press releases disclosing financial information and overseeing the Company's compliance with audit, accounting and reporting requirements.
- Overseeing management of taxation issues.

## **3. Identification and Management of Risks**

- Reviewing reports of and receiving presentations related to processes in place to identify, manage and mitigate the principal risks inherent in the Company's business and operations.
- Overseeing and monitoring processes to provide reasonable assurance that the business of the Company is being operated in compliance with all applicable legal and regulatory requirements.

## **4. Human Resource Management and Executive Compensation**

- Reviewing and approving compensation policies and practices to enable the Company to attract, develop and retain skilled senior executives.
- Overseeing the Company's executive compensation and the compensation philosophy used in determining the compensation awarded to non-executive employees.
- Overseeing succession planning for senior management, including recruiting, appointment and evaluation and, if necessary, termination of the Chief Executive Officer, and oversight of appointment and performance of other senior executive officers.

## **5. Governance**

- Developing, approving and monitoring the Company's approach to corporate governance.
- Establishing and maintaining formal processes for annual assessment of the effectiveness of the Board, individual directors and the Board committees.
- Monitoring the size and composition of the Board and, at least annually, assessing the skills, expertise, experience, competencies and attributes of each Board member.
- Examining, at least annually, the role and responsibilities of each of the Board committees to improve the effectiveness and efficiency of the Board.

- Promoting a Board culture that optimizes Board effectiveness.
- Taking reasonable steps to ensure that the Company has procedures in place to permit the Board to function independently.

## **6. Integrity and Ethics**

- Approving and monitoring compliance with the Company's Code of Business Conduct and Ethics and other policies which foster a culture of integrity.
- Obtaining reasonable assurance that the senior management strives to create a culture of integrity.
- Establishing and overseeing a whistleblower process.

## **7. Corporate Communications**

- Satisfying itself that appropriate procedures and policies are in place regarding accurate and timely public disclosure, including reviewing and approving the Company's Disclosure Policy.
- Monitoring compliance with applicable corporate and securities law requirements regarding the accuracy and timeliness of disclosure.

### **Committees**

Subject to applicable laws and the Articles and By-laws of the Company, the Board shall delegate certain authority and responsibilities to its committees and require that each of them perform certain advisory functions and make recommendations to the Board in accordance with written charters. The Board has approved charters for each Board committee and shall approve charters for each new Board committee. The Board had established the following standing committees: the Audit and Risk Committee and the Governance, Human Resources, and Compensation Committee. The Board may establish other Board committees or merge or disband any Board committee. Each committee is required to reassess its written charter at least annually and report to the Board thereon. The Board has also approved position descriptions for the Committee Chairs, the Lead Director and the Chairman of the Board. To facilitate communication between the Board and each Board committee, each Committee Chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting. The Lead Director shall be an *ex officio* member of each of the Board's standing committees, unless otherwise appointed to be a member of such committee.

### **Meetings**

The Board shall schedule four regular meetings annually and special meetings shall be called as necessary. The frequency of meetings and the nature of agenda items shall depend on the state of the Company's affairs and particular opportunities or risks that the Company faces. In its discretion, the Board may elect to conduct all or any part of its meetings in the absence of management and/or the non-independent Directors.

#### **(a) Secretary and Minutes**

The Corporate Secretary, his or her designate or any other person the Board requests shall act as Secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.

#### **(b) Meetings Without Management**

The independent members of the Board shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent Directors and members of management are not present.

The Lead Director, or his or her designate or any other person that the Board requests, shall act as Secretary for any regularly scheduled meetings, or portions of regularly scheduled meetings, at which members of management are not present. The Lead Director will inform the Secretary of any action items during an *in camera* meeting and the Secretary will include such action items in the minutes of the meeting.

#### **(c) Directors' Responsibilities**

Each Director is expected to commit the time and resources necessary to properly carry out his or her duties. Each Director is expected to attend all meetings of the Board and any committee of which he or she is a member. Directors are expected to adequately prepare for all meetings of the Board, which requires each Director, at a minimum, to have read and considered the materials sent to them in advance of each meeting, and to actively participate in the meetings. New Directors are expected to understand fully the role of the Board and its committees and the expected contribution of individual Directors.

The Lead Director and the Chairman of the Board are responsible for setting a carefully crafted agenda, as well as fulfilling all other responsibilities enumerated in their respective position descriptions. Directors may propose agenda items through communication with the Lead Director.

#### **Service on Other Boards and Committees**

To ensure that each Director is able to commit sufficient time and energy to fulfill his or her duties as a member of the Board, and to avoid circumstances that may impact independence, the Board has established guidelines with respect to service by Directors on outside public company boards of directors and committees. Exceptions to the below guidelines may be granted with the consent of the Board.

##### **(a) Service on Other Public Company Boards**

Directors who are chief executive officers or other senior executives of public companies may hold at most two outside public company directorships and other Directors may hold no more than four outside public company directorships.

##### **(b) Service on Other Public Company Audit Committees**

No Director that is a member of the Audit and Risk Committee may sit on more than three outside public company audit committees.

**(c) Board Interlocks**

No more than two Directors may sit on the same outside public company board of directors.

**(d) Chief Executive Officer Service on Other Public Company Boards**

The Company's Chief Executive Officer may not sit on the board of directors of an outside public company.

**(e) Other Conflicts of Interest**

No Director may serve on the board of a competitor or of a regulatory body with oversight of the Company or its subsidiaries or any other board which the Governance, Human Resources, and Compensation Committee reasonably determines is inadvisable.

Directors are required to advise the Chairman of the Board and the Chair of the Governance, Human Resources, and Compensation Committee before accepting a directorship on an additional public, private or not-for-profit board (or similar body) or membership on an additional board committee in order to provide an opportunity to verify that a Director continues to have the time and commitment to fulfil his or her obligations to the Board and to be satisfied that the Director is in compliance with the above guidelines and no real or apparent conflict of interest would result.

In addition, Directors must notify the Chairman of the Board and the Chair of the Governance, Human Resources, and Compensation Committee before 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 affiliate or potentially impact the reputation of the Company.

**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 Board shall, considering the recommendation of the Governance, Human Resources, and Compensation Committee and in light of all the circumstances, determine whether to request that the Director resign.

**Authority of the Board**

The Board shall have unrestricted access to management and employees of the Company. The Board requires timely and accurate reporting from management and shall regularly review the quality of management's reports.

Subject to prior consultation with the Chief Executive Officer (except in unusual circumstances), the Board is authorized to:

1. retain and terminate external legal counsel, consultants and other advisors it determines necessary to carry out the Board's duties and responsibilities; and

2. set and require the Company to pay the compensation and charged expenses for any advisors engaged by the Board.

### **Security Ownership by Directors**

Effective February 16, 2017, each Director (except Directors who are officers of the Company) is required to beneficially own that number of securities of the Company the market value of which is at least three times the annual Directors' fees paid to such Director. Directors will be given three years to meet this ownership requirement. New Directors will be given three years following their appointment to meet this ownership requirement. Each Director who is a member of management of the Company is required to beneficially own that number of securities of the Company the market value of which is at least five times his current base salary.

### **Annual Review of the Mandate**

In connection with the preparation of the Company's management information circular for the annual meeting of shareholders, the Board shall review and reassess the Mandate for adequacy and make changes as it deems necessary.

### **No Rights Created**

This Mandate is a statement of broad policies and is intended as a component of the governance framework within which the Board, assisted by its committees, directs 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.