



May 26, 2016

**CHARTER**  
**BOARD OF GOVERNORS**  
**of**  
**Investment Funds**  
**Managed by**  
**CI INVESTMENTS INC.**

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***Board of Governors***

1. The Board of Governors (the Board) acts as the independent review committee for the investment funds (the Funds) that are reporting issuers within the meaning of applicable securities legislation and, in respect of inter-fund trading and related party investments, certain pooled funds (the Pooled Funds) managed by CI Investments Inc. (the Manager). The Manager appointed the Board to act as the independent review committee for the Funds as contemplated by National Instrument 81-107 *Independent Review Committee for Investment Funds* (NI 81-107) effective April 2, 2007.

***Membership***

2. The Board shall consist of a minimum of three persons and a maximum of eight persons, all of whom shall be independent, within the meaning of that term provided for in NI 81-107. The Manager shall fix the number of members of the IRC from time to time after considering the recommendations of the IRC, if any, made pursuant to the annual assessments required by NI 81-107 and contemplated in paragraph 27.
3. The Board shall appoint from one of its members a Chairperson who will be responsible for managing the mandate, and responsibilities and functions of the Board in accordance with this Charter.
4. Each member of the Board, once appointed, shall hold office until his or her successor has been appointed or until his or her appointment has terminated as provided in this Charter or by law. The term of office of a member of the Board shall terminate when that member's term of office expires or in the event that NI 81-107 requires that member to cease to be a member of the Board.
5. A member of the Board may resign at any time by an instrument in writing signed by him or her and delivered or mailed to the Manager and the other members of the Board. Such resignation shall take effect on the date such instrument is delivered or mailed or at any later

time specified in the notice. Unless the Manager provides its written consent, a member of the Board must resign if he or she becomes an officer or employee of, or a member of a board of directors, advisory board, independent review committee or other similar governance body of, any entity that:

- (a) is an investment fund, including a mutual fund; or
  - (b) carries on a financial services business that, in the opinion of the Manager is in competition with the business of the Manager, including acting as a manager of investment funds.
6. A member of the Board may be removed at any time for any reason by an instrument in writing signed by the majority of the remaining members of the Board and delivered or mailed to the applicable member, to each other member of the Board and to the Manager. The Board will consider any recommendation made by the Manager for removal of a particular member, including the Manager's reasons why that member should be removed by the remaining members of the Board. If the Manager deems it desirable, the Manager may call a special meeting of securityholders of the Funds or a Fund or specified Funds to ask the securityholders of the applicable Funds to vote on the Manager's proposal that a member of the Board be removed from the Board for that Fund or Funds. The Manager shall comply with NI 81-107 in calling such a meeting and shall deliver or mail to each member of the Board a copy of the notice of meeting and information circular prepared to convene any applicable special meeting. The Manager may also apply to the applicable securities regulators requesting that those regulators grant an exemption from the meeting requirements in NI 81-107 to allow it to remove a member in appropriate circumstances and the Manager will provide a copy of any exemption application to the IRC and any final exemption received.
  7. The remaining members of the Board shall appoint individuals to replace any retiring or resigning members of the Board, members whose term of office has terminated or members who have been removed as members of the Board. The Board shall consider any potential candidates suggested by the Manager and shall evaluate any candidate's qualifications for membership on the Board and his or her independence within the meaning of NI 81-107. The Board may appoint a member whose term has expired for an additional term or terms, which may not be less than 1 year nor more than 3 years, however no such member can act as a member of the Board for any period longer than 6 years, without the prior written consent of the Manager. The Board may from time to time establish additional nominating criteria for new members of the Board and shall consult with the Manager concerning such nominating criteria. The Board shall fill a vacancy of the Board as soon as practicable and shall confirm to the Manager any new member appointed to the Board, including a description of his or her qualifications and confirmation that the individual has consented to act as a member of the Board pursuant to the terms of this Charter.
  8. If the Board has no members, the Manager shall appoint new members in accordance with NI 81-107 as soon as practicable.

***General Mandate and Functions***

9. With a view to ensuring that the Manager places the interests of the Funds above its own corporate interests and the interests of its officers and employees and otherwise manages the Funds in a fair and prudent manner, the Board shall:
  - (a) consider matters relating to conflicts of interest and recommend to the Manager what action the Manager should take to achieve a fair and reasonable result for the Fund(s) in those circumstances;
  - (b) consider whether any proposal of the Manager that the Funds purchase, sell or continue to hold securities of companies related to the Manager, including CI Financial Corp. (CIX), among other things, represents the business judgment of the Manager uninfluenced by considerations other than the best interests of the Funds and achieves a fair and reasonable result for the Funds;
  - (c) consider whether any proposal of the Manager that securities held by one Fund be directly purchased or sold to another Fund, Pooled Fund, closed-end fund or managed account (inter-fund trades) without placing those trades through brokers, among other things, represents the business judgment of the Manager uninfluenced by considerations other than the best interests of the Funds and achieves a fair and reasonable result for the Funds;
  - (d) review and provide input into the policies and procedures of the Manager regarding its management of conflicts of interest;
  - (e) consider any proposal of the Manager to change the auditor of a Fund or to cause a Fund to merge with another Fund, as contemplated in NI 81-102 having regard to whether the Manager's proposal to carry out one of these acts would result in a fair and reasonable result for the applicable Funds;
  - (f) act as an audit committee for the Funds for the purpose of reviewing the financial statements of the Funds with the auditors of the Funds and, for the Funds that are trusts, approving such financial statements; and
  - (g) carry out any other purpose or mandate required by law or by the constating documents of the Funds or imposed as a condition to any decision of a Canadian securities regulator that affects the Funds.
  
10. With a view to ensuring that the Manager places the interests of the Pooled Funds above its own corporate interests and the interests of its officers and employees and otherwise manages the Pooled Funds in a fair and prudent manner, the Board shall:
  - (a) consider whether any proposal of the Manager that the Pooled Funds purchase, sell or continue to hold securities of companies related to the Manager, including CIX, among other things, represents the business judgment of the Manager uninfluenced by considerations other than the best interests of the Pooled Funds and achieves a fair and reasonable result for the Pooled Funds;

- (b) consider whether any proposal of the Manager that securities held by one Pooled Fund be directly purchased or sold to another Fund, Pooled Fund, closed-end fund or managed account without placing those trades through brokers, among other things, represents the business judgment of the Manager uninfluenced by considerations other than the best interests of the Pooled Funds and achieves a fair and reasonable result for the Pooled Funds; and
  - (c) act as an audit committee for the Pooled Funds for the purpose of reviewing the financial statements of the Pooled Funds with the auditors of the Pooled Funds and approving such financial statements.
- 11. Manager is responsible for managing the Funds in accordance with all applicable legal requirements, including the fiduciary duty the Manager owes to the Funds and the Funds' constating and disclosure documents. The Board's role is to exercise impartial and independent judgment in considering, and providing its recommendations and, as applicable, its approvals, to the Manager on decisions that the Manager proposes to make when the Manager has a conflict of interest and in carrying out its functions as an audit committee for the Funds.
- 12. The Manager and the Board acknowledge that the mandate of the Board to act as an audit committee for the Funds for the purposes of reviewing the financial statements of the Funds with the auditors of the Funds is a role that is advisory only and although subject to this Charter is not regulated by NI 81-107. Any other role that the Board may be given under the constating documents of the Funds that is not required by NI 81-107 shall be governed by those constating documents and not by this Charter or NI 81-107. The Manager and the Board further acknowledge that the members of the Board may, from time to time, be elected by the Manager as directors of the Funds that are structured as corporations and in such capacity will carry out the responsibilities imposed on them under applicable corporate legislation. Acting as directors of the Funds that are structured as corporations is a role that is not subject to NI 81-107 or this Charter.
- 13. For the purposes of this Mandate:
  - (a) a matter relating to a conflict of interest or a "conflict of interest matter" or a "conflict of interest" shall be determined by the Manager with due regard to the definition of "conflict of interest matter" contained in NI 81-107, as well as the commentary regarding conflict of interest matters contained in NI 81-107. A conflict of interest would include any matter related to the Manager's management of a Fund where a reasonable person would consider that the Manager, or an entity related to the Manager, has an interest in the matter that is different from, or conflicts with, the best interests of the Fund.
  - (b) an entity is related to the Manager, if it is:
    - (i) a person or company who can direct or materially affect the direction of the management and policies of the Manager or one or more of the Funds; or

- (ii) an associate, affiliate, partner, director, officer or subsidiary of the Manager or of a person or company referred in paragraph (i).

***Duties and Powers***

14. To carry out its mandate and functions, the Board shall have the following duties and powers:
- (a) to consider when first adopted and thereafter on a periodic basis, no less frequently than annually, the policies that the Manager has adopted, from time to time, to address conflicts of interest and recommend to the Manager any changes that the Board believes should be made to those policies in order to achieve a fair and reasonable result for the Fund(s);
  - (b) to consider any proposal by the Manager to materially deviate from or to change any of the policies referred to in paragraph (a) and to recommend to the Manager what action, if any, the Manager should take in respect of that proposal in order to achieve a fair and reasonable result for the Fund(s);
  - (c) to consider on at least a quarterly basis any material exceptions noted by the Manager in complying with the policies referred to in paragraph (a), as well as the actions taken or proposed to be taken by the Manager in respect of that non-compliance, or to recommend to the Manager what action, if any, the Manager should take in addition to the action already taken or proposed to be taken in order to achieve a fair and reasonable result for the Fund(s);
  - (d) to consider any proposal by the Manager to carry out inter-fund trading and related party investments for any Fund or Pooled Fund and to decide whether these proposals should be permitted, having regard to the matters required to be taken into account by an independent review committee in making these decisions under NI 81-107;
  - (e) to consider any proposal by the Manager to change the auditors of a Fund or to merge a Fund with another Fund and to decide whether these proposals should be permitted, having regard to the matters to be taken into account by an independent review committee in making these decisions under NI 81-107;
  - (f) to consider any conflict of interest matter referred to it by the Manager that falls within the mandate of the Board and recommend to the Manager any actions that should be taken by the Manager in respect of that matter to achieve a fair and reasonable result for the Fund(s);
  - (g) to consider any proposal by the Manager that the Board give standing instructions to the Manager to require the Manager to follow the standing instructions, which may be in the form of requiring the Manager to follow its policies and procedures, in managing a conflict of interest and to give such standing instructions when the Board consider that to do so is appropriate;

- (h) to appoint a sub-committee or sub-committees of the Board and delegate to that sub-committee or sub-committees any of its duties and powers to such extent as the Board shall determine, provided that each sub-committee or sub-committees shall consist of at least three members, have the power to fix its quorum at not less than a majority of its members, to elect its chairperson and to regulate its procedure; and
  - (i) to review with the Funds' auditors:
    - (i) the planning and scope of their audit,
    - (ii) their audit results, and
    - (iii) whether, in the opinion of the auditors, the Manager's record-keeping can be relied upon to present fairly, in all material respects, the financial position of the Funds.
15. Before the Board gives the Manager any standing instruction concerning any particular conflict of interest matter, the Board shall:
- (a) review and consider the Manager's written policies and procedures with respect to the conflict;
  - (b) request any report or certification from the Manager or any other person, as appropriate;
  - (c) consider whether a standing instruction for the particular conflict is appropriate for the Fund(s), including any request by the Manager for such standing instruction; and
  - (d) consider the nature of the standing instruction, including any terms and conditions surrounding the standing instruction for the particular conflict.

### ***Standard of Care***

16. The members of the Board shall exercise their powers and discharge their mandate and functions as provided for in this Charter honestly and in good faith, with a view to the best interests of the Funds and, in doing so, shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A member of the Board will not contravene his or her standard of care if he or she exercises the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, including reliance on (i) a report or certification represented as full and true to the Board by the Manager or an entity related to the Manager or (ii) a report of a person whose profession lends credibility to a statement made by the person.

### ***Meetings***

17. Meetings of the Board shall be held at such time and on such day as the Chairperson determines, but at least four times each year. Generally, meetings will be held:

- (a) November or December;
- (b) February or March;
- (c) May or June; and
- (d) August or September.

The Manager may convene a special meeting of the Board if the Manager reasonably believes that a matter that is within the mandate and functions of the Board should be considered by the Board before its next regularly scheduled meeting. The Chairperson and the Manager shall give members of the Board reasonable notice in advance of any meeting. At any time, the Board may meet in a separate session at which no representatives of the Manager are present and the Board shall, at least once per year, conduct at least a portion of a meeting without the presence of representatives of the Manager.

18. If the Board is comprised of more than three members, the quorum shall be the majority of Board members. The powers of the Board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members entitled to vote on the matter at a meeting of the Board. All decisions of the Board shall require approval by a majority of the members then in office. If the Board has only two members, all decisions must be unanimous. No decisions may be made by the Board if it has only one member. In the case of a tie vote, the Chairperson of the Board shall not have a second or casting vote. When there is a vacancy in the Board, the remaining members of the Board may exercise all the powers of the Board, so long as a quorum remains in office and the Board complies with this paragraph and the requirements of NI 81-107 regarding decision-making. A meeting of the Board may be held by means of such telephonic, electronic or other communications facilities as to permit all persons participating in the meeting to communicate adequately with each other during the meeting.
19. The Board may request that senior representatives of the Manager with knowledge of the matter being considered by the Board attend meetings and provide information to the Board.
20. Recommendations and approvals of the Board, including standing instructions, shall be given to the Manager as soon as possible after the recommendations, approvals or standing instructions, as the case may be, have been agreed to by the Board and shall be recorded in the minutes of the meetings at which such recommendations, approvals or standing instructions are made. Recommendations, approvals and standing instructions of the Board to the Manager shall be in sufficient detail so as to enable the Manager to make an informed decision about what action it should take in the circumstances, having regard to its duties to the Funds.
21. The Board shall retain records of minutes of all meetings, together with its recommendations and reports of the Manager and of any experts relating to those recommendations for so long as may be deemed desirable by the Board, having regard to applicable law. These records may be kept at the premises of the Manager for safekeeping. The Board may appoint a representative of the Manager to act as secretary at all meetings of the Board, including those

portions of meetings of the Board that are held in the absence of other representatives of the Manager.

22. The members of the Board shall keep strictly confidential all proceedings at meetings of the Board and all information they receive about the Manager's business and the operations of the Funds, unless they are:
- (a) required by law to disclose that information;
  - (b) seeking advice from counsel or experts under paragraph 23; or
  - (c) communicating with securityholders of the Funds or the securities regulators under paragraphs 25 or 28.

### ***Compensation***

23. The Manager, acting as trustee of the Funds, has determined that each member of the Board except the Chairman shall receive compensation in the amount of \$36,000 per annum payable in four quarterly installments, plus \$9,000 per quarterly Board of Governors meeting attended. The Chairman shall receive \$44,000 per annum plus \$11,000 per meeting attended. The Board may consider its compensation and expense reimbursement in its discretion and may establish policies for such compensation setting, provided that in so doing the Board shall consider:
- (a) the results of its annual assessment of compensation and effectiveness; and
  - (b) the recommendations of the Manager for compensation payable to the Board.

The Board shall consider the following factors, among any other deemed appropriate by the Board, in determining its appropriate level of compensation:

- (c) the number, nature and complexity of the Funds;
- (d) the nature and extent of the workload of each member of the Board, including the commitment of time and energy of each member;
- (e) industry best practices, including industry averages and surveys on compensation paid to independent review committees of Canadian investment funds; and
- (f) the best interests of the Funds.

The reasonable compensation and expenses of the Board shall be payable as an operating expense of the Funds and allocated among the Funds by the Manager in a fair and equitable manner. These operating expenses may be paid by the Manager in return for fixed administration fees paid by the Funds, as disclosed in the public disclosure documents of the Funds.



### ***Experts and Advisors***

24. The Board shall have the resources and authority appropriate to discharge its responsibilities, including the authority to retain independent counsel and other experts and consultants and to determine the reasonable compensation and expenses payable to those counsel, experts and consultants, which will be an operating expense of the Funds and shall be allocated among the Funds in a fair and equitable manner, and may be paid by the Manager in return for fixed administration fees payable by the Funds, in the discretion of the Manager. The Board may (but need not) rely and act upon any document prepared by, or advice given by, any counsel, expert or consultant if the Board has complied with its standard of care in the selection of the counsel, expert or consultant and in the decision to rely or act or to not rely or not act on such document or advice. The Board shall discuss with the Manager any proposal to hire independent counsel or other experts and consultants and shall consider any recommendations made in that regard by the Manager. Any such proposal to hire independent counsel or other experts and consultants shall be made by the Board only in selective, non-routine circumstances and then only to assist and not replace Board decision-making.

### ***Orientation and Education***

25. The Board shall avail itself of, and if so requested, the Manager shall provide, orientation and education programs as the Board or any member reasonably requires to discharge its, his or her duties.

### ***Communication with Funds***

26. The Board shall prepare the reports to securityholders required by NI 81-107 and may authorize representatives of the Manager to prepare initial drafts of such reports. The Board shall discuss with the Manager the contents of its reports prior to finalizing such reports for formal delivery to the Manager as contemplated by NI 81-107.

### ***Annual Review***

27. The Board shall carry out the annual assessments required by NI 81-107 on the adequacy and effectiveness of the matters specified by NI 81-107 and report to the Manager on the results of its assessments in the manner contemplated by NI 81-107. The Board shall discuss its findings on the matters outlined in this paragraph with the Manager prior to making any recommendations to the Manager on changes to its policies and procedures, any amendments to this Charter, the composition or compensation of the Board. The Board shall request that the Manager provide the Board with feedback on the Board's effectiveness and/or the effectiveness of the members of the Board and shall consider any feedback given in conducting its assessments.
28. The Board may recommend to the Manager any changes to this Charter or additions to the number of members of the Board. No changes to this Charter can be made and no additional members can be appointed to the Board without the Manager's express agreement in writing. The Manager shall agree to any changes to this Charter that are required to comply with applicable laws.

***Communication with Regulators***

29. The Board may communicate directly and without undue influence from the Manager with the securities regulatory authority in any province or territory of Canada concerning matters within its mandate and shall inform the Manager, in advance, of any such communication and the reasons for such communication.

***Board Conflicts and Ownership of Securities***

30. A member of the Board shall disclose to the other members of the Board and to the Manager, in writing or by requesting to have the information entered into the minutes of any meetings of the Board, the nature and extent of any interest, including material shareholdings, that he or she has in any matter that is being discussed by the Board, and shall not vote on any resolution of the Board to make a decision or a recommendation to the Manager, as the case may be, on the matter.
31. Each member of the Board shall disclose any personal holdings in securities of the Funds, of any company that is related to the Manager or of any company that provides services to the Manager or any of the Funds to the Compliance Officer of the Manager within 10 days of that member first acquiring securities of such an entity and annually at the end of each calendar year or as otherwise required for reporting purposes of the Board.

***Notices***

32. Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served), pursuant to this Charter to any member of the Board or to the Manager shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to such person's recorded address or if mailed to such person at such person's recorded address by prepaid ordinary mail or air mail, or if sent to such person at such person's recorded address by facsimile or electronic mail. A notice so delivered shall be deemed to have been delivered when it is delivered personally or to the recorded address as aforesaid; a notice mailed shall be deemed to have been received by the addressee on the fifth day after mailing; and a notice so sent by facsimile or electronic mail shall be deemed to have been given when transmitted.
33. The accidental omission to give any notice to any member of the Board or to the Manager or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.
34. Any member of the Board or the Manager entitled to attend a meeting of the Board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to such person under any provision of this Charter or by law or otherwise and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a notice of waiver or notice of a meeting of the Board, which may be given in any manner.

*Effective Date of Charter*

35. This Charter is effective when agreed to by the Manager and the Board.