
CI FINANCIAL CORP.
STATEMENT OF EXECUTIVE COMPENSATION
For the Financial Year ended December 31, 2008



May 12, 2009

STATEMENT OF EXECUTIVE COMPENSATION

Unless otherwise stated, the information in this Statement of Executive Compensation is stated as of December 31, 2008 and all references to the Corporation's fiscal year are to the fiscal year of CI Financial Income Fund ended December 31, 2008. 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.

All dollar amounts in this Statement of Executive Compensation are expressed in Canadian dollars unless otherwise indicated.

Compensation Discussion and Analysis

Executive Compensation Philosophy

The Corporation's compensation philosophy for executive officers is based on four fundamental objectives:

- (i) to provide compensation packages that encourage, motivate and reward performance;
- (ii) to foster a sense of teamwork and fairness;
- (iii) to be competitive with other companies of similar size and scope of operations so as to attract and retain talented executives; and
- (iv) to align the interests of its executive officers with the long-term interests of the Corporation and its shareholders through share-based compensation.

When determining individual compensation levels for the Corporation's executive officers, the Compensation Committee of the Corporation's Board of Directors (the "**Compensation Committee**") takes into consideration a variety of factors. These factors include the overall financial and operating performance of the Corporation, recommendations of the Chief Executive Officer and the President and an assessment of (i) the individual performance and contribution made by each executive officer to the success of the Corporation with reference to financial performance, total assets under management and achievement of corporate objectives; (ii) the responsibilities of each executive officer, including leadership and mentoring; (iii) the expertise and length of service of each executive officer; and (iv) industry comparables.

Competitive Market Review

The Compensation Committee was provided with market data, including a comparison of CI's equity performance relative to publicly traded fund companies in Canada and compensation information for the named executive officers of Canadian financial institutions, including:

- Power Financial Corporation
- IGM Financial Inc. and Investors Group
- Mackenzie Financial Corporation
- Sun Life Financial Inc.
- Dundee Wealth Inc.
- Dundee Corporation
- AGF Management Limited
- Gluskin Sheff + Associates Inc.

The compensation information contained in the proxy circulars for the above corporations was considered in determining the appropriate compensation for the Chief Executive Officer and other Named Executive Officers (as defined below).

Process

Each year, the President prepares a compensation report for the Board of Directors with the assistance of CI’s Human Resources and Finance departments. This report includes:

- (i) a general review of CI’s operations for the year;
- (ii) a comparison of CI’s equity performance relative to major indices and publicly traded fund companies in Canada;
- (iii) a review of CI’s asset growth and summary financial results;
- (iv) comparative compensation information for other financial institutions;
- (v) a summary of senior executive compensation for the preceding five years; and
- (vi) compensation data concerning the fifty most senior employees of CI.

With the benefit of the information provided in the report, the Chief Executive Officer makes recommendations to the Compensation Committee regarding the compensation for senior executives other than the Chief Executive Officer. The Chair of the Compensation Committee meets with Chief Executive Officer to discuss these recommendations. The Compensation Committee then meets to consider these recommendations and also to review and propose compensation for the Chief Executive Officer.

Compensation Mix

In keeping with CI’s compensation philosophy, executive compensation has the following three key components:

Base Salary	Annual Cash Bonus	Long-Term Incentives ⁽¹⁾ (Stock Options/DEUs)
<ul style="list-style-type: none"> • Not performance based • To attract and retain talented executives • Reflects skill and level of responsibility and takes into account market conditions and competitors 	<ul style="list-style-type: none"> • Performance based • Rewards contribution to achievement of financial and non-financial goals • Fosters teamwork 	<ul style="list-style-type: none"> • Performance based • Designed to encourage, motivate, retain and reward executives for achieving long term results • Aligns interests of executive officers to shareholder interests

Note:

(1) Issued under CI’s Option Plan and DEU Plan (each as defined below). See “--Long-Term Incentive” below for a description of these plans.

This is the only compensation paid to executive officers of CI other than standard employment benefits. CI does not fund pensions for any of its employees, including the executives, nor do the executives receive any other perquisites.

Base Salary

Base salaries are established with reference to position and responsibilities, the individual's contribution, experience and seniority and competitive market data. The Corporation's compensation policy is to pay its senior executives relatively modest base salaries and reward personal and enterprise performance through the payment of annual and long-term bonuses. Base salaries are reviewed annually and adjusted if appropriate. The base salaries for the Named Executive Officers have not been increased for the past four fiscal periods, other than for the Chief Financial Officer, which increased from \$225,000 to \$250,000 during that time.

Annual Cash Bonus

The purpose of this component of compensation is to reward the executives for their contribution to the success of the business. CI's operations, financial results and equity performance are assessed in determining the aggregate amount available for distribution as a bonus. In addition, each senior executive's contribution to the success of the business is considered, including achievement of objectives such as cost controls, strategic initiatives, risk management and enhancement of corporate reputation. From time to time special bonuses may be paid for performance in connection with significant projects or acquisitions. No such special bonuses were paid in respect of 2008.

Long-Term Incentives

The Corporation has longer term incentive plans which are designed to reward executives and key employees for their contribution to the financial success of CI and to encourage and motivate them to create shareholder value. Participation in these incentive plans is limited to executives and key employees whose roles and responsibilities directly influence the success of the Corporation and those people who management have identified as having long-term succession potential. The Corporation has two long-term incentive plans which are described below.

Deferred Equity Units

When the Corporation operated as an income trust, it provided long-term incentives to its employees in the form of deferred equity units (the "**Deferred Equity Units**"). These units were issued pursuant to a plan, which was amended and restated as of February 1, 2008 (the "**DEU Plan**"). The DEU Plan provides for the grant of units to employees to promote the long-term success of the business carried on by CI and to encourage employees to acquire a proprietary interest in CI. Grants have been made based on the employee's current and anticipated contribution to the success of CI. The number of Deferred Equity Units granted to an individual in the past was based on the dollar value of the bonus award being made and the prevailing market prices of units of CI Financial Income Fund (the "**Fund**") at the time of the grant. The Deferred Equity Units typically vest in equal annual instalments over the three calendar years beginning one year from the date of grant.

In November 2008, the Trustees of the Fund agreed to permit all outstanding Deferred Equity Units to vest immediately, in order to partially compensate employees for the significant decline in the value of the Deferred Equity Units from the date of grant, as a result of unprecedented market conditions. With the conversion of the Fund to the Corporation effective January 1, 2009, CI does not expect to make

any further grants to CI executives under the DEU Plan although it will continue to issue Deferred Equity Units to certain employees of its subsidiary Blackmont Capital Inc.

Stock Option Plan

The Corporation has an Employee Incentive Stock Option Plan (the “**Option Plan**”) which is essentially the same as the Fund Unit Option Plan adopted effective May 17, 2007, with appropriate modifications to reflect the conversion of the Fund to the Corporation and certain changes approved by the Board of Directors in February 2009. Shareholder approval of these changes is anticipated to be sought at the next meeting of the shareholders of the Corporation. A maximum of 13,997,000 common shares of the Corporation (representing less than 5% of the outstanding common shares) may be issued upon exercise of options granted under the Option Plan.

The Option Plan is designed to promote the long-term interests of the Corporation and its shareholders by fostering a proprietary interest in the Corporation among the executives and key employees of CI. The Option Plan is also used to retain and attract qualified executives and key employees. CI considers equity ownership by management to be an integral component of its compensation scheme and for that reason option grants under the Option Plan are an important element of overall compensation.

Options may be granted under the Option Plan to executives and key employees. The options may have a term of up to 10 years although CI generally grants options with terms of five years. The exercise price of the options is fixed by the Board of Directors at the date of grant and may not exceed the trading price of the common shares of the Corporation on the date of the grant. The Board of Directors determines when options vest and become exercisable. Generally, the Board has granted options which vest in equal annual amounts on each of the first, second and third anniversaries of the date of the grant. During the lifetime of the optionee, an option may be exercisable only by the optionee or if the optionee is incapacitated, by the optionee’s guardian, committee or other authorized legal representative, and except upon death of an optionee, an option may not be assigned or transferred in any way or otherwise disposed of (whether by operation of law or otherwise) except where the Board of Directors permits a transfer of the option in compliance with applicable securities regulation and the rules or policies of the Toronto Stock Exchange. The Option Plan permits a cash settlement alternative which permits the holder of the option to elect to receive the in-the-money value of the option in lieu of purchasing common shares on exercise of the option. Most options are cash settled.

The Board of Directors may at any time suspend or terminate the Option Plan, provided that no such suspension or termination adversely affects the rights under any outstanding options without the consent of the optionees to whom the options were granted. The Board of Directors may at any time and from time to time amend the Option Plan to make amendments, including amendments which are of a “housekeeping” nature; to amend the vesting provisions of any option; or, to change the termination provisions of any option that does not entail an extension beyond the original expiration date.

The Option Plan is subject to the following restrictions with respect to grants of options and issue of common shares to insiders of the Corporation:

- (a) the number of common shares that may, at any time, be reserved for issue pursuant to options granted to insiders shall not in the aggregate exceed 10% of the then issued common shares of the Corporation;
- (b) the number of common shares of the Corporation that may, within a one year period, be issued to insiders on the exercise of options or pursuant to other security based

compensation arrangements of the Corporation shall not exceed 10% of the then issued and outstanding common shares;

- (c) the number of common shares that may be (i) reserved for issuance to insiders of the Corporation at any time and (ii) issued to insiders of the corporation within any one year period, under the Option Plan, or when combined with all of the security based compensation arrangements of the Corporation, shall not exceed 10% of the then issued and outstanding common shares of the Corporation;
- (d) the number of common shares of the Corporation that may, within any one year period, be issued to any one insider (including associates of the insider) on the exercise of options or issued pursuant to other security based compensation arrangements of the Corporation shall not exceed 5% of the issued and outstanding common shares of the Corporation on the date of grant; and
- (e) the number of common shares that may be reserved for issue to any one person pursuant to options granted under the Option Plan shall not exceed 5% of the issued and outstanding common shares of the Corporation on the date of grant.

Copies of the Option Plan are available for inspection by shareholders at the Corporation's head office.

In November 2008, management recommended, and the Board of Directors approved, the grant of options to 319 employees to purchase an aggregate of 952,573 units (which options now, post-conversion, entitle the holder to purchase 952,573 common shares of the Corporation) at a price of \$12.67 per share. These grants were made to compensate employees for the significant decline in the value of Deferred Equity Units which had been granted to the employees for past years of service but which had not at that time vested. Each employee was granted options to purchase units (now common shares) equal to the number of unvested Deferred Equity Units held by that employee. None of Mr. Holland, Mr. MacPhail or Mr. Anderson received these special grants.

In February 2009, management recommended, and on February 25, 2009 the Board of Directors approved, the grant of options to 410 employees (excluding Mr. Holland, Mr. MacPhail and Mr. Anderson) to purchase an aggregate of 2,111,763 common shares of the Corporation at a price of \$11.60 per share. These grants were made as bonuses for the fiscal year ended December 31, 2008 and as incentives for retention and continued service. The Compensation Committee recommended to the Board of Directors, and the Board of Directors approved, a grant of options to each of Mr. Holland, Mr. MacPhail and Mr. Anderson in the following amounts:

Name	Number of Options	Exercise Price	Value of Options ⁽¹⁾ (at February 25, 2009)
William T. Holland	575,000	\$11.60	\$862,500
Stephen A. MacPhail	335,000	\$11.60	\$502,500
Peter W. Anderson	285,000	\$11.60	\$427,500

Note:

- (1) The following assumptions were made for purposes of calculating the Value of Options Granted: an expected option term of 4.0 years to exercise; a dividend projected to grow 10% per annum; projected stock price volatility of 17%; and a risk-free interest rate of 3.5%. The options have been valued using Black-Scholes methodology and on that basis ascribed a value of \$1.50 per option.

Chief Executive Officer Compensation

The components of Chief Executive Officer compensation are the same as those which apply to the other senior executive officers of the Corporation, namely base salary, cash bonus and long-term equity incentives. The Compensation Committee presents its recommendations to the Board of Directors with respect to the Chief Executive Officer's compensation. In setting the recommended salary of the Chief Executive Officer, the Compensation Committee takes into consideration Mr. Holland's responsibilities, experience and performance in leading the executive team and directing the strategic initiatives of the Corporation. The Compensation Committee also considers the base salaries being paid to chief executive officers at other leading Canadian financial institutions. In setting the salary, performance bonus and long-term incentives for the Chief Executive Officer, the Compensation Committee evaluates the performance of the Chief Executive Officer in light of his impact on the performance of the Corporation and the achievement of the Corporation's goals and objectives.

In February 2009, notwithstanding the excellent performance of the Corporation during fiscal 2008, and the successful completion of a number of strategic initiatives including conversion from an income trust to a corporation, the Compensation Committee recommended to the Board of Directors that the base salary for the Chief Executive Officer remain at the same level as the last several years and that the annual cash bonus and long-term incentives be reduced from previous years. This approach is consistent with the compensation philosophy applied to the other executive officers and was supported and recommended to the Compensation Committee by the Chief Executive Officer.

The compensation reported for the Chief Executive Officer under "Total Compensation" in the Summary Compensation Table below is the only compensation provided to the Chief Executive Officer other than standard employment benefits. The Corporation does not fund a pension for the Chief Executive Officer or provide any other perquisites.

Share Ownership by Executive Officers and Directors

The Corporation has adopted a policy that requires the Chief Executive Officer of the Corporation to beneficially own that number of common shares the market value of which is at least five times his current base salary and for each other executive officer to own the number of common shares the market value of which is at least two times his current base salary. This policy currently applies to the Named Executive Officers, each of whom, other than Sheila Murray, holds common shares well in excess of his minimum requirement. As a new executive officer, Ms. Murray has been provided with additional time to acquire at least the minimum number of common shares required to be held.

As part of this policy, each director (except directors who are also officers of the Corporation) is required to beneficially own that number of common shares the market value of which is at least three times the annual directors' fees paid to such director. At year end, each such director held common shares with a market value of his minimum requirement.

Members of the Compensation Committee

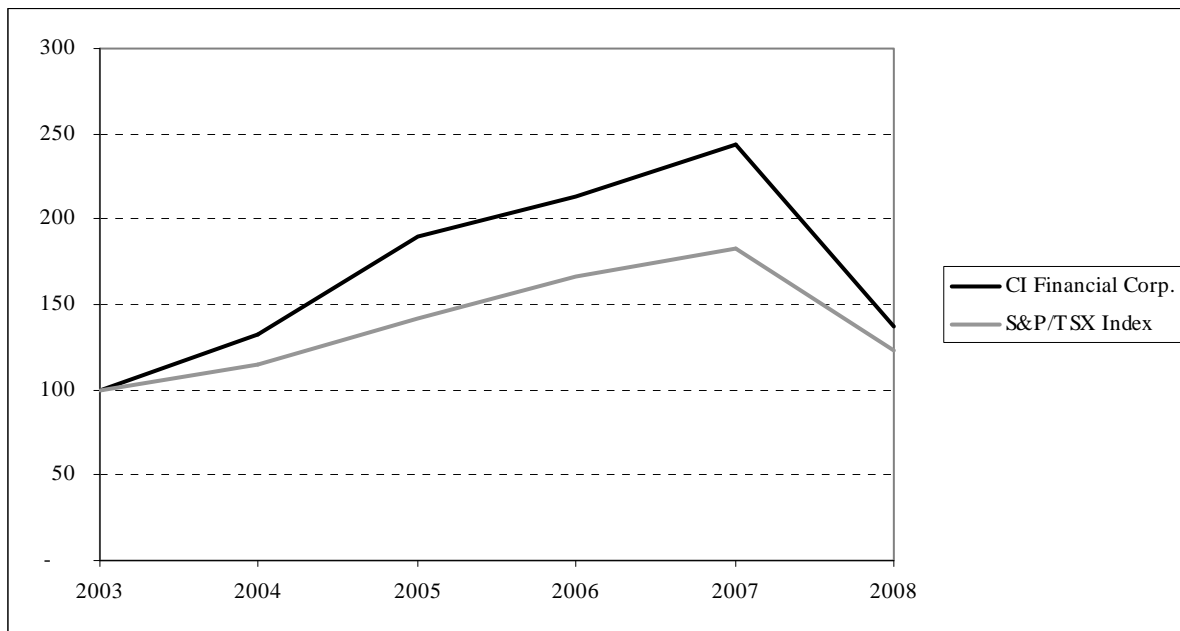
The members of the Compensation Committee are Messrs. Ronald D. Besse, Stephen T. Moore, A. Winn Oughtred (Chair), and David J. Riddle, all of whom are "independent" directors of the Corporation. Mr. Riddle was an officer of a subsidiary of the Corporation prior to July 1997.

Performance Graph

The Corporation's common shares began trading on the Toronto Stock Exchange on January 2, 2009. From July 2, 2006 to December 31, 2008, the units of the Corporation's predecessor, CI Financial Income Fund, were traded on the Toronto Stock Exchange, and prior to July 2, 2006 the common shares of CI Financial Inc. were traded on the Toronto Stock Exchange.

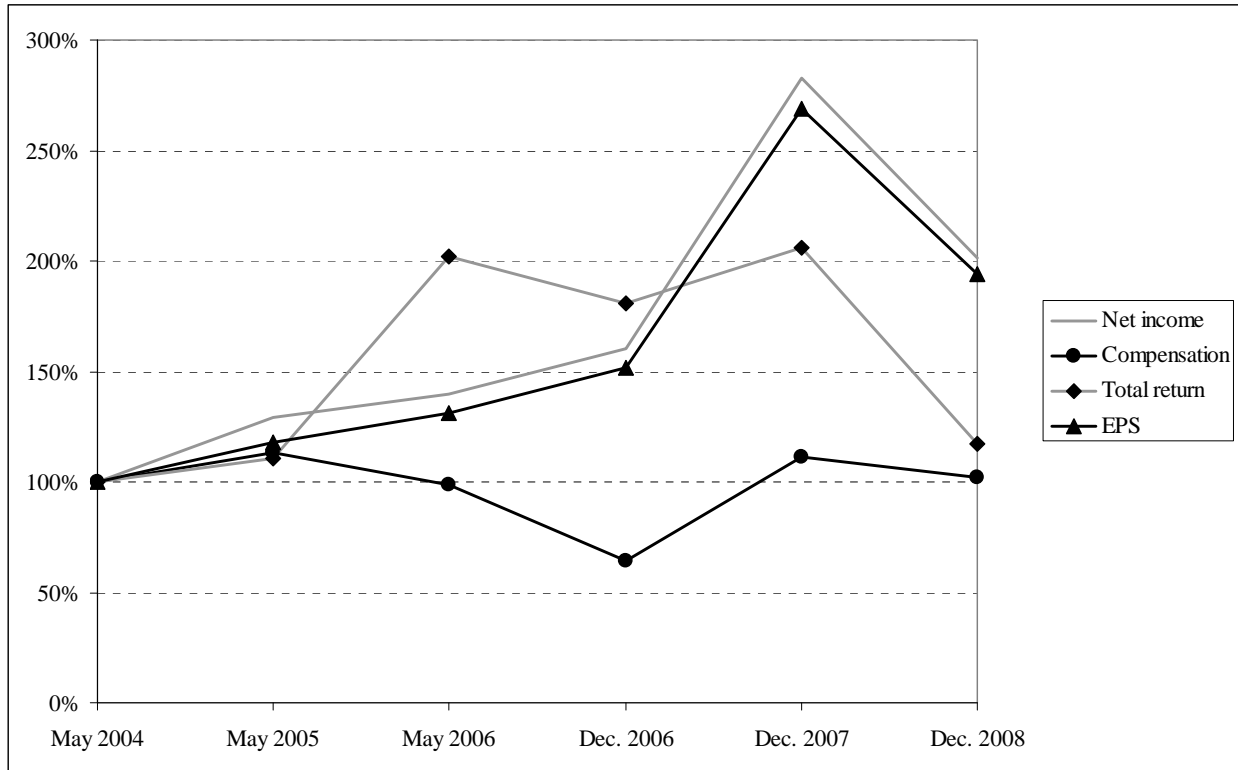
The following graph compares the yearly percentage change in the cumulative total return on the units of the Fund and common shares of its predecessor, CI Financial Inc., with the cumulative total return of the S&P/TSX Composite Index (the "S&P/TSX Index") over the period from December 31, 2003 to December 31, 2008. The graph illustrates the cumulative return on a \$100 investment made on December 31, 2003 as compared with the cumulative return on a \$100 investment in the S&P/TSX Index made on December 31, 2003. Distributions of the Fund and dividends of its predecessor CI Financial Inc. are assumed to be reinvested. The performance as set out in the graph does not necessarily indicate future price performance.

Cumulative Total Return



	31-Dec-03	31-Dec-04	31-Dec-05	31-Dec-06	31-Dec-07	31-Dec-08
CI Financial Corp.	100	133	190	214	243	138
S&P/TSX Index	100	115	142	167	183	123

The table below sets out the trend in aggregate total compensation awarded to the Named Executive Officers for each of the last five fiscal years compared to the Corporation's net income per share (or unit), reported return on investment and earnings per share (or unit) over that same period.



Note:

- (1) In all cases, the value of perquisites and other personal benefits is less than \$50,000 and 10% of the total of the annual salary and bonus.
- (2) Long-Term Compensation Awards reflect aggregate amounts awarded in respect of the relevant year.
- (3) The following assumptions were made for purposes of calculating the Value of Options Granted: an expected option term of 4.0 years to exercise; a dividend projected to grow 10% per annum; projected stock price volatility of 17%; and a risk-free interest rate of 3.5%. The options granted in 2005 were converted to options to acquire Fund units upon conversion to an income fund in 2006. The options granted in respect of fiscal 2008 have been valued using Black-Scholes methodology and on that basis ascribed a value of \$1.50 per option. The actual value realized, if any, on option exercises will be dependent on overall market conditions and the future performance of the Corporation and its common shares. The Corporation cannot be certain that the actual value realized will approximate the amount calculated under the valuation model.
- (4) In respect of the fiscal period ended December 31, 2007, William T. Holland was granted 82,200 DEUs, Stephen A. MacPhail and Peter W. Anderson were each granted 54,800 DEUs and Douglas J. Jamieson was granted 8,000 DEUs. As discussed under "Long-Term Incentives - Deferred Equity Units" above, holders of Deferred Equity Units were permitted to elect to vest all unvested Deferred Equity Units in November 2008 to partially compensate employees for the significant decline in the value of the Deferred Equity Units. On that date the market price of the units was \$13.28.
- (5) These amounts represent a contribution by the Corporation to a retirement savings plan specified by the Named Executive Officer. The Corporation does not have a pension plan.
- (6) Includes information of the Corporation for the seven month fiscal period ended December 31, 2006.
- (7) Includes information of CI Financial for the fiscal year ended May 31, 2006.
- (8) Sheila A. Murray joined the Corporation in January 2008 and was awarded 25,000 Deferred Equity Units upon commencement of employment. These units were to vest in January 2011; however the vesting was accelerated in November 2008 when the vesting of all unvested DEUs was accelerated. On that date the market price for the units was \$13.28 and the aggregate market value of Ms. Murray's DEUs was \$332,000.

Incentive Plan Awards

Outstanding Option-Based and Share-Based Awards

The following table sets out for each Named Executive Officer information concerning all option-based and share-based awards outstanding as of December 31, 2008. (This includes awards granted before the most recently completed financial year.)

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
William T. Holland Chief Executive Officer	273,328	18.15	Jul. 10, 2010	0	122,600	1,777,700
	575,000	11.60	Feb. 24, 2014	1,667,500		
Douglas J. Jamieson Chief Financial Officer	21,100	12.57	Nov. 27, 2013	40,723	11,100	160,950
	42,670	11.60	Feb. 24, 2014	123,743		
Stephen A. MacPhail President	62,900	15.59	Apr. 13, 2009	0	81,800	1,186,100
	463,281	18.15	Jul. 10, 2010	0		
	335,000	11.60	Feb. 24, 2014	971,500		
Peter W. Anderson Executive Vice-President	157,515	18.15	Jul. 10, 2010	0	81,800	1,186,100
	285,000	11.60	Feb. 24, 2014	826,500		
Sheila A. Murray Executive Vice-President, General Counsel and Secretary	25,000	12.57	Nov. 27, 2013	48,250	25,000	362,500
	50,000	11.60	Feb. 24, 2014	145,000		

Value Vested or Earned During the Year

The following table sets out for each Named Executive Officer information concerning the value of incentive plan awards—option-based and share-based awards as well as non-equity incentive plan compensation—vested or earned during the financial year ended December 31, 2008.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
William T. Holland Chief Executive Officer	--	--	--
Douglas J. Jamieson Chief Financial Officer	--	199,700	--
Stephen A. MacPhail President	--	--	--
Peter W. Anderson Executive Vice-President	--	--	--
Sheila A. Murray Executive Vice-President, General Counsel and Secretary	--	--	--

Equity Compensation Plan Information

The following table sets out information concerning the number and price of securities to be issued under equity compensation plans to employees and others as at December 31, 2008.

Plan Category	Number of Securities to be Issued upon Exercise of Options, Warrants and Rights (a)	Weighted – Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in (a)) (c)
Equity Compensation Plans Approved by Securityholders	3,437,830	17.03	10,559,170

Termination and Change of Control Benefits

There are no employment agreements currently in effect for the Named Executive Officers and there are no arrangements providing for payments to a Named Executive Officer at, following or in connection with any termination of employment (whether voluntary, involuntary or constructive), any resignation, retirement or termination of employment on a change of control.

Director Compensation

During the financial year ended December 31, 2008, directors of the Corporation who were not officers or employees of the Corporation were paid an annual fee of \$82,500. The Chairman of the Audit Committee was paid an annual fee of \$102,500 inclusive of his director's fee in recognition of the additional responsibilities which that position entails. The Non-Executive Chairman of the Board was paid an annual fee of \$100,000 inclusive of his director's fee. Directors are entitled to be reimbursed for expenses incurred by them in their capacity as directors. Directors who are also officers or employees of the Corporation were not paid any amount as a result of their serving as directors of the Corporation.

Director Compensation Table

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Ronald D. Besse	82,500	--	--	--	--	--	82,500
G. Raymond Chang	100,000	--	--	--	--	--	100,000
Paul W. Derksen	102,500	--	--	--	--	--	102,500
Kevin P. Dougherty ⁽¹⁾	78,240 ⁽²⁾	--	--	--	--	--	78,240 ⁽²⁾
William T. Holland	--	--	--	--	--	--	--
Stephen T. Moore	82,500	--	--	--	--	--	82,500
A. Winn Oughtred	82,500	--	--	--	--	--	82,500
David J. Riddle	82,500	--	--	--	--	--	82,500
Donald A. Stewart ⁽¹⁾	78,240 ⁽²⁾	--	--	--	--	--	78,240 ⁽²⁾

Note:

- (1) Messrs. Dougherty and Stewart resigned as trustees of the Fund on December 12, 2008 following completion by Sun Life Financial Inc. of the sale of its interest in the Fund to The Bank of Nova Scotia.
- (2) Directors fees were paid directly to Sun Life Financial Inc.

Outstanding Option-Based and Share-Based Awards

None of the directors has any outstanding option-based and share-based awards other than William T. Holland and such information was described above.