



CI FINANCIAL CORP.

STATEMENT OF GOVERNANCE PRACTICES – 2009

The Board of Directors and senior management consider good governance to be central to the effective and efficient operation of CI. As such, Directors of CI are committed to thorough and effective governance arrangements. The Board and management are committed to maintaining a high standard of governance and compliance with the governance guidelines of the Canadian securities administrators.

Description of the Board

Board Composition and Independence

The Board of Directors is currently comprised of seven members. Prior to December 2008, the Board included an additional two members, Mr. Donald Stewart and Mr. Kevin Dougherty. Each of Mr. Stewart and Mr. Dougherty are officers of Sun Life Financial Inc. (“**Sun Life**”) and they resigned as Directors upon completion of the sale by Sun Life to The Bank of Nova Scotia of its entire interest in CI representing approximately 37.6% of the then issued and outstanding shares of CI.

The Board considers its size and composition on a regular basis and has determined that both the current size and composition are appropriate in view of its responsibilities and the risks and strategic direction of CI. This relatively small number of Directors permits the Board to operate in an efficient and cohesive manner. The Board believes that a diversity of views and experience enhances the ability of the Board as a whole to fulfill its responsibilities to CI and that the members of the Board collectively possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight of CI’s business. Directors are not required to be specialists in the business of CI but rather to provide the benefit of their business experience, judgment and vision. Pursuant to governance guidelines adopted by the Board, the Governance Committee will consider each Director’s continued service on the Board at least every three years. This process also allows each Director the opportunity to confirm his or her desire to continue as a member of the Board.

In determining the “independence” of Directors, the Board applies the standards of applicable legal and regulatory requirements and recommendations. In particular, the Board views an individual as independent if he has no direct or indirect relationship with CI which could, in the view of the Board, be reasonably expected to interfere with the exercise of that individual’s independent judgment. Based upon information provided by each of the Directors and the discussion below, the Governance Committee and the Board have affirmatively determined that the following six Directors, being the majority, are independent: Ronald D. Besse, G. Raymond Chang, Paul W. Derksen, Stephen T. Moore, A. Winn Oughtred, and David J. Riddle. The Governance Committee and the Board have determined that the remaining

Director, William T. Holland, is not independent as a result of his position as the Chief Executive Officer of CI.

The Board of Directors believes that the fact that six of the seven current Directors of CI are “independent” under applicable legal and regulatory requirements and regulations is an important factor in assuring the ability of the Board to act independently of management. Mr. G.R. Chang, the Chairman of the Board, ceased to be an employee and a member of the management of CI in January 2003. While Mr. Chang maintains an office in CI’s head offices, he is not in any way involved in or privy to the management of CI other than as the Non-Executive Chairman of the Board and as a Director. While in prior years it was the Board’s determination that Mr. Chang was, because of his prior involvement in management, a related Director (under applicable guidelines), it is the Board’s current determination that because of the amount of time that has now elapsed since Mr. Chang ceased to be an employee and a member of management, he must now be considered an independent Director. Notwithstanding such determination, the Board has continued the position of Lead Director. As Lead Director (or Lead Trustee prior to Conversion) of the Board since 1999, Mr. R.D. Besse, an independent Director, is responsible for ensuring that the Board of Directors properly discharges its responsibilities and maintains its independence from management. Mr. Besse, as Lead Director, is responsible for chairing all Board meetings.

Certain members of the Board serve as directors of other reporting issuers. In particular, Mr. Besse is a director and chair of the audit committee of Rogers Communications Inc. and is a member of the compensation and pension committee of that company; Mr. Chang is a director of First Global Bank Ltd and a number of charitable foundations; Mr. Moore is a Trustee of Impax Energy Services Income Trust and Advantaged Preferred Share Trust and Mr. Oughtred is a director of Oppenheimer Holdings Inc. and a Director and member of the audit committees and chair of the conduct review committee of State Bank of India (Canada). The Board believes that this experience on other public company boards is of benefit to CI.

Board Meetings

Four quarterly meetings of the Board are scheduled for each fiscal year, and special meetings are called as necessary. The frequency of meetings and the nature of agenda items depend on the state of CI’s affairs and particular opportunities or risks that CI faces.

As part of each regular Board meeting, the independent Directors have the opportunity to meet alone in the absence of management to independently assess the performance of senior management and to discuss issues involving CI.

The charts illustrate the number of Board and committee meetings held during the fiscal year ended December 31, 2008 and the meeting attendance record for each Director.

Board and Committee Meetings Held

Board	15
Audit Committee	4
Compensation Committee	2
Governance Committee	2

Name	Board Meetings Attended	Committee Meetings Attended
Ronald D. Besse	13 of 15	8 of 8
G. Raymond Chang	13 of 15	6 of 6
Paul W. Derksen	15 of 15	6 of 6
Kevin P. Dougherty ⁽¹⁾	12 of 15	--
William T. Holland	15 of 15	--
Stephen T. Moore	13 of 15	2 of 2
A. Winn Oughtred	15 of 15	4 of 4
David J. Riddle	13 of 15	6 of 6
Donald A. Stewart ⁽¹⁾	10 of 15	--

Note:

(1) Mr. Dougherty was appointed to the Board on February 20, 2008 and Mr. Stewart and Mr. Dougherty resigned on December 12, 2008.

Mandate of the Board

The mandate of the Board is to supervise the management of the business and affairs of CI acting in the best interests of CI. In addition to dealing with and approving major transactions and matters legally requiring Board involvement, the Board is consulted regularly by senior management on significant business developments in the affairs of CI and its subsidiaries. The Board has adopted a written charter, a copy of which is contained in Appendix “A”.

Position Descriptions

The Board has not yet developed a written position description for the Chairman of the Board the Chair of any of the Board committees but intends to do so in fiscal 2009. The Board is of the view that these roles will be updated as necessary to the extent the assessments described below under “Board, Committee and Director Assessment” reflect that any of these roles is not being sufficiently served.

The Board has not developed a written position description for the Chief Executive Officer of CI and is of the view that there is no present need for a specific written mandate for the role of the Chief Executive Officer.

The Board has delegated certain responsibilities to its committees and requires that each of them perform certain advisory functions and make recommendations to the Board in accordance with written charters. See “Committees” below.

Orientation and Education

CI provides an orientation program for newly elected Directors and provides information for all Directors on the activities of the CI Group on an ongoing basis. Directors are offered the opportunity on a regular basis, and new Directors are required, to tour CI’s head office operations and to meet and make inquiries of the CI Group’s senior managers. Regular communications between senior management and the Directors also assist in the ongoing education of the Directors.

Ethical Business Conduct

In November 2006, the Board adopted a written code of business conduct and ethics (the “Code”), which constitutes written standards that are designed to promote integrity and to deter wrongdoing. The Code addresses, among other things, the following issues:

- (a) compliance with laws, rules and regulations;
- (b) conflicts of interest;
- (c) protection of confidential information;
- (d) opportunities belonging to CI;
- (e) protection and proper use of CI assets;
- (f) competition and fair dealing, including with CI’s competitors;
- (g) gifts and entertainment and payments to government personnel;
- (h) discrimination and harassment;
- (i) health and safety;
- (j) accuracy of CI records and reporting; and
- (k) use of email and internet services.

Personnel are expected and encouraged to talk to supervisors, department heads or other appropriate personnel about observed illegal or unethical behaviour and when they have any doubt about the best course of action in a particular situation. It is the policy of CI not to allow retaliation for reports of misconduct by others. The Code also outlines compliance procedures and procedures in respect of the reporting of any illegal or unethical behaviour, including in respect of accounting and auditing matters. The compliance department of CI monitors compliance with the Code and requires each employee to certify annually that they have read the Code and agree to comply with it.

To ensure that the Directors exercise independent judgment in considering transactions, agreements or decisions in respect of which a Director or executive officer has declared a material personal interest (in accordance with relevant provisions of corporate law), the Board follows a practice whereby any such Board member must be absent during any Board discussion pertaining thereto and not cast a vote on any such matter.

Under the Code, any waivers from the requirements in the Code that are to be granted for the benefit of Directors or executive officers are to be granted by the Board only (or a committee of the Board to whom that authority has been delegated) and will be promptly disclosed as required by law or regulation. No waivers of the Code have been granted to date.

The Code can be viewed on CI’s website at www.ci.com or at www.sedar.com.

Committees

There are currently three standing committees of the Board - the Audit Committee, the Governance Committee and the Compensation Committee. The Board has delegated certain authority and responsibilities to each of these committees and has mandated that each of them perform certain advisory functions and make recommendations to the Board. Each committee has a written charter, copies of which are contained in Appendices “B” to D” . Each committee is required to reassess its charter at least annually and report to the Board thereon.

Audit Committee

The Audit Committee currently has four independent Directors as its members: Messrs. R.D. Besse, G.R. Chang, P.W. Derksen (Chair) and D.J. Riddle. The Governance Committee is responsible for reviewing quarterly financial statements, annual financial statements and other financial disclosure documents prior to their approval by the full Board. The committee is also responsible for making recommendations to the Board regarding the appointment and compensation of the external auditors, reviewing CI’s financial reporting process, internal controls and the performance of CI’s external auditors, and approving non-audit services by the external auditors. The external auditors report directly to the Audit Committee. The Audit Committee has direct access to management and to CI’s internal and external auditors in order to review specific issues, and meets quarterly with the auditors without management present. Additional information regarding the Audit Committee, including its written charter, composition, and the relevant education and experience of its members, is contained under the heading “Audit Committee Information” below.

Governance Committee

The Governance Committee currently has four independent Directors as its members: Messrs. R.D. Besse (Chair), G.R. Chang, P.W. Derksen and A.W. Oughtred. The committee is responsible for developing CI’s approach to governance issues, ensuring the Board functions independently of management, assessing the effectiveness of the Board as a whole and the committees of the Board and the contribution and performance of each incumbent Director, and overseeing various matters in connection with the nomination of Director candidates, including making recommendations to the Board on the size and composition of the Board, Director succession planning and recruitment of new Directors, and the orientation and education of the Directors.

Compensation Committee

The Compensation Committee has the following four independent Directors as its members: Messrs. R.D. Besse, S.T. Moore, A.W. Oughtred (Chair) and D.J. Riddle. The committee is responsible for making recommendations to the Board regarding the remuneration of the Directors and the executive officers of the CI Group, reviewing the design and competitiveness of the CI Group’s overall compensation plan, monitoring CI’s Stock Option Plan, reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer of CI, evaluating the Chief Executive Officer’s performance in light of such goals and objectives and determining the Chief Executive Officer’s compensation levels based on such evaluation, reviewing executive compensation disclosure, reporting to securityholders on remuneration and related matters, reviewing CI’s succession planning for the Chief Executive Officer and other senior executive officers of the CI Group, and reporting to the

Board and performing such other compensation related duties as may be required by the Board or the Chief Executive Officer of CI, from time to time.

Board, Committee and Director Assessment

The Governance Committee is responsible for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution and performance of each Director. Each fiscal year every Director is required to complete an evaluation of the Board as a whole, each Board committee, the contribution of each Director, and the Lead Director. The Lead Director annually is required to conduct informal interviews and meetings with each Director to review the results of the Directors' assessments and other pertinent matters with respect to the Board and the contribution and performance of the individual Director. The Chairman of the Board reviews the Lead Director assessments and is required to review the results with the Lead Director.

Directors' Compensation

The Board, acting on the recommendations of the Compensation Committee, reviews the adequacy and form of the Directors' compensation annually and ensures that it reflects the workload, responsibilities and risks of the Directors. The Board, on the recommendation of the Compensation Committee has approved annual compensation for the Directors of \$82,500 per annum. This fee will be payable in cash. The Chairman of the Audit Committee will receive an enhanced fee of \$102,500 per annum in recognition of the additional responsibilities which that position entails.

Retention of Outside Advisors

The Board of Directors or any committee thereof is authorized to, subject to prior consultation with the Chief Executive Officer or the President of CI (except in unusual circumstances), engage independent counsel and other advisors it determines necessary to carry out its duties and responsibilities, and set and require CI to pay the compensation and charged expenses for any such advisors.

Securityholder Relations and Communications

The Board approves all of CI's major communications, including annual and quarterly reports, circulars, and financial press releases. CI communicates with its securityholders through a number of channels including its website, www.ci.com. Securityholders can provide feedback to CI in a variety of ways, including by sending an e-mail to investorrelations@ci.com or calling a toll-free telephone number.

The President of CI is responsible for receiving and addressing securityholder inquiries and concerns and referring securityholder issues to the Chief Executive Officer and, where appropriate, to the Board. CI's policy is that management seek to respond to securityholder's questions and concerns on a prompt basis, subject to limitations imposed by law and by the confidentiality of certain information.