

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee of the Board of Directors has responsibility for all corporate governance matters including making recommendations to the Board of Directors in relation to composition of the Board of Directors and its standing committees. The Committee also administers the self-assessment process for the Board, its standing committees and individual directors.

During fiscal 2011, the Committee was composed of Messrs. Thomas P. d'Aquino, Chair of the Committee, Jean Brassard and Mrs. Paule Doré. Mrs. Doré voluntarily withdrew from the Committee on March 28, 2011 and, since she left the Committee, all of the Committee members have been, and remain, independent directors. The Committee met three times during fiscal 2011.

The role and responsibilities of the Chair of the Committee are described under the heading *Role and Responsibilities of the Lead Director and Standing Committee Chairs* later in this document.

Proposed Amendment of CGI's Articles and By-Laws

The reform of the Quebec *Companies Act* that governed the Company became law on December 4, 2009 with the adoption of the Quebec *Business Corporations Act* (the "Act").

The act came into effect on February 14, 2011 and the Company became governed by the Act on the day it took effect.

Amendment of CGI's Articles

The Act amends the framework for companies like CGI that are incorporated under the laws of the Province of Quebec. Among the new provisions of the Act are the following features that provide flexibility for Quebec corporations governed by the Act:

- Section 153 of the Act allows the Board of Directors of a public company to appoint a number of additional directors to the corporation's Board of Directors between shareholders' meetings. The number of additional directors may not exceed one-third of the number of directors elected at the previous annual shareholders meeting;
- Section 164 of the Act allows the Board of Directors to hold a meeting of the corporation's shareholders at a place outside the Province of Quebec.

The *Articles* of the Company must be amended before the Company is able to take advantage of these features of the Act.

Therefore, the Board of Directors recommends that the shareholders authorize the amendment of the Company's articles. The text of the special resolution to be adopted for that purpose is provided in Appendix A.

Amendment of CGI's By-Laws

Section 169 of the Act provides that the by-laws of a public company may allow the Board of Directors to set a record date for the purpose of determining shareholders entitled to receive notice of a shareholders meeting, to vote, to receive distributions, or for any other purpose. The Act provides that a record date may be selected that is a date up to 60 days in advance the date of the event and the Company's by-laws currently limit the choice of a record date to a date not more than 50 clear days before the meeting or other event.

Therefore, the Board of Directors recommends that the shareholders approve and ratify the amendment of the Company's by-laws, which was adopted by the Board of Directors on December 5, 2011 but that will take effect only once it has received shareholder approval. The text of the ordinary resolution to be adopted for that purpose is provided in Appendix B.

Corporate Governance Practices

Adherence to high standards of corporate governance is a hallmark of the way CGI conducts its business. The disclosure that follows sets out CGI's corporate governance practices.

CGI's corporate governance practices conform to those followed by U.S. domestic companies under the *New York Stock Exchange* listing standards.

CGI's Shareholders

CGI's shareholders are the first and most important element in the Company's governance structures and processes. At each annual general meeting, the Company's shareholders elect the members of the Company's Board of Directors and give them a mandate to manage and oversee the management of the Company's affairs for the coming year. Shareholders have the option of withholding their votes from individual directors, should they wish to do so.

In the normal course of operations, certain corporate actions which may be material to CGI are initiated from time to time by the Company's senior management and, at the appropriate time, are submitted to CGI's Board of Directors for consideration and approval. When appropriate, such matters are also submitted for consideration and approval by CGI's shareholders. All such approvals are sought in accordance with the charters of the Board of Directors and standing committees, CGI's corporate governance practices and applicable corporate and securities legislation. Messrs. Serge Godin and André Imbeau, respectively CGI's *Founder and Executive Chairman of the Board*, and CGI's *Founder, Executive Vice-Chairman of the Board and Corporate Secretary*, are members of the Board of Directors of CGI and, as of December 13, 2011, beneficially owned, directly or indirectly, or exercised control or direction over, shares of CGI representing respectively 50.94% and 7.65% of the votes attached to all of CGI's outstanding voting shares.

Mandate, Structure and Composition of the CGI Board of Directors

The Committee and the Board of Directors are of the view that the size and composition of the Board of Directors and its standing committees are well suited to the circumstances of the Company and allow for the efficient functioning of the Board of Directors as an independent decision-making body.

Board of Directors and Committee Charters

Each standing committee operates according to its charter approved by the Board of Directors which sets out the committee's duties and responsibilities.

The Board of Directors charter and the charter of each of the standing committees require that the charters be reviewed annually. As part of that process each standing committee undertakes a review of its mandate and tables any recommendations for changes with the Corporate Governance Committee at its September meeting each year. The Committee reviews the submissions of the standing committees and also reviews the Board of Directors charter. The Committee then makes a recommendation to the Board of Directors based on the conclusion of the review. The Board of Directors takes the Committee's recommendation into account in making such changes as it determines to be appropriate.

The Board of Directors and standing committee charters are contained in CGI's *Fundamental Texts* which may be found as Appendix A to CGI's *2011 Annual Information Form* which was filed with the Canadian securities regulatory authorities and which is available at www.sedar.com and on CGI's web site at www.cgi.com. A copy of the *2011 Annual Information Form* will be provided promptly to shareholders upon request. The charters are hereby incorporated by reference from the *Fundamental Texts* as follows:

- Board of Directors Charter..... page 18
- Corporate Governance Committee Charter page 27
- Human Resources Committee Charter page 33
- Audit and Risk Management Committee Charter..... page 38

The following table summarizes the structure, responsibilities and membership of each of the Company's standing committees.

COMMITTEE	MEMBERSHIP
<p>Audit and Risk Management Committee Composed entirely of independent directors, the Audit and Risk Management Committee: is mandated by the Board of Directors to recommend the appointment of the external auditors and the terms of their engagement; reviews with the auditors the scope of the audit; reviews with the auditors and management the effectiveness of the Company's accounting policies and practices, the Company's internal control procedures, programs and policies and the adequacy and effectiveness of the Company's internal controls over the accounting and financial reporting systems within the Company; reviews related party transactions; and reviews and recommends to the Board of Directors the approval of the Company's interim and audited annual consolidated financial statements and all public disclosure documents containing audited or unaudited financial information.</p>	<p>Eileen A. Mercier (Chair) Claude Boivin Richard B. Evans Gilles Labbé</p>
<p>Corporate Governance Committee Composed entirely of independent directors, the Corporate Governance Committee: is responsible for developing the Company's approach to governance issues and the Company's response to corporate governance requirements and guidelines; reviews the composition of the Board of Directors, its standing committees and members and recommends Board nominees; carries out the annual Board of Directors self-assessment process; oversees the orientation and continuing education program for directors; and helps to maintain an effective working relationship between the Board of Directors and management.</p>	<p>Thomas P. d'Aquino (Chair) Jean Brassard</p>
<p>Human Resources Committee Composed entirely of independent directors, the Human Resources Committee: is responsible for reviewing the compensation of certain senior executives of the Company and for making recommendations to the Board of Directors in respect thereto; and performs functions such as reviewing the Company's succession planning and such other matters that the Committee may consider suitable with respect to compensation or as may be specifically directed by the Board of Directors from time to time.</p>	<p>Robert Chevrier (Chair) Bernard Bourigeaud Dominic D'Alessandro</p>

Role and Responsibilities of the Executive Chairman and of the CEO

Elected by the shareholders, the Board of Directors has delegated to senior management the responsibility for day-to-day management of the business of the Company in accordance with the Company's *Operations Management Framework* which has been adopted by the Board of Directors. The *Operations Management Framework* sets out the overall authority of the Company's management team as well as the level of management approval required for the various types of operations and transactions that make up the ordinary course of the Company's business.

The Executive Chairman's role allows Mr. Serge Godin to devote his time to the development and implementation of strategic initiatives, including strengthening the Company's partnerships with existing clients and fostering key relationships that lead to new business, including large outsourcing contracts and strategic acquisitions. The nature of the Executive Chairman's responsibilities are such that he is a senior executive officer of the Company and is not an independent chairman of the Board.

All operational and corporate functions, other than the office of the Chairman and the corporate secretariat which report to the Executive Chairman, report to the CEO who reports directly to the Board of Directors. The CEO, jointly with the management team, develops the strategies and corporate objectives which are approved by the Board of Directors. Each year the Human Resources Committee assesses the performance of the management team in achieving the objectives and makes recommendations to the Board of Directors in relation to the vesting of stock options and the payment of bonuses to the Named Executive Officers under the Company's Profit Participation Plan.

Taken together, the *Operations Management Framework* and the corporate objectives approved by the Board of Directors annually define the scope of management's authority and responsibilities, including those of the Executive Chairman and of the CEO, in relation to the Company's day to day operations and the attainment of its objectives. The Executive Chairman and the CEO table reports to the Board of Directors at each regularly scheduled Board meeting and their performance relative to objectives is assessed annually. Ultimately, the Board of Directors reports to the shareholders at the Annual General Meeting of Shareholders.

Role and Responsibilities of the Lead Director and Standing Committee Chairs

Lead Director

Mr. Thomas P. d'Aquino, an independent member of the Board of Directors and Chair of the Committee, is currently CGI's Lead Director.

The Charter of the Board of Directors, which is incorporated by reference in this Management Proxy Circular (see the heading *Mandate, Structure and Composition of the CGI Board of Directors* earlier in this document), requires that the Board of Directors appoint a Lead Director from among the independent directors. The Lead Director is responsible for ensuring that the Board of Directors acts independently of the Company's management and is alert to its obligations to the shareholders.

In fulfilling his responsibilities, the Lead Director provides input to the Executive Chairman in the preparation of Board of Directors meeting agendas, sets the agenda for and chairs the meetings of the independent directors, and leads the annual self-evaluation process for the Board of Directors.

In conjunction with the Executive Chairman, the Lead Director facilitates the effective and transparent interaction of Board members and management. The Lead Director also provides feedback to the Executive Chairman and acts as a sounding board with respect to strategies, accountability, relationships and other matters.

Standing Committee Chairs

The role and responsibilities of each of the Chairs of the standing committees of the Board of Directors are set forth in the charter of each committee. The standing committee charters are incorporated by reference in this Management Proxy Circular (see the heading *Mandate, Structure and Composition of the CGI Board of Directors* earlier in this document).

The Chair of each committee is responsible for leading the committee's work and, in that capacity, ensuring that the committee's structure and mandate are appropriate and adequate to support the fulfilment of its responsibilities, that the committee has adequate resources as well as timely and relevant information to support its work, and that the scheduling, organization and procedures of committee meetings provide adequate time for the consideration and discussion of relevant issues. The committee Chair is responsible for ensuring that the effectiveness of the committee is assessed on a regular basis.

The committee chair presides the committee's meetings and works with the Corporate Secretary, the Executive Chairman and the Company's concerned executive officers in setting both the calendar of the committee's meetings and the agendas for each meeting and has the authority to convene special meetings of the committee. The committee Chair acts as liaison with the Company's management in relation to the committee's work program and ensures that the committee reports to the full Board of Directors at each subsequent meeting of the Board of Directors in relation to the committee's deliberations, decisions and recommendations.

Criteria for Tenure on the CGI Board of Directors

Each year, the Committee reviews all of the Company's corporate governance practices as part of an exercise that takes place well in advance of the annual preparation and review of the Company's Management Proxy Circular, so that such practices, including those that govern the conditions for tenure on the Board of Directors, receive careful consideration apart from the year-end and annual general meeting preparation cycle.

Independence

CGI's corporate governance practices require that a majority of the members of CGI's Board of Directors be independent. This means that they must be and remain free from any material ties to the Company, its management and its external auditors that could, or could reasonably be perceived to, materially interfere with the directors' ability to act in the best interests of the Company, and otherwise in keeping with industry best practices and the definitions of independence applicable under stock exchange and securities regulators' governance guidelines and rules.

The Board of Directors has concluded that the position of Lead Director, in place since 1996, ensures that the Board of Directors is able to act independently of management in an effective manner. The Lead Director holds regular meetings of the outside directors, as well as regular meetings of the independent directors without related directors present. The Lead Director held four such meetings of the outside directors during the year ended September 30, 2011, and at two of those meetings, only independent directors attended.

The Board of Directors has determined that the directors identified as being independent in this Management Proxy Circular do not have interests in or relationships with CGI or with any of CGI's significant shareholders that could, or could reasonably be perceived to, materially interfere with the directors' ability to act in the best interests of the Company, and that they are therefore independent under the applicable guidelines and rules.

The independence of the Board of Directors and its standing committees is further enhanced by their ability to engage outside advisors as needed. In addition, individual directors may also retain the services of outside advisors with the authorization of the Chair of the Corporate Governance Committee.

Shareholders of CGI, or any person who has an interest in the Company, who wish to contact CGI's non-management or independent directors may do so by e-mail sent to lead_director@cgi.com or by using the contact page for the Lead Director on CGI's website at www.cgi.com.

Expertise and Financial and Operational Literacy

CGI's corporate governance practices require that all members of CGI's Board of Directors be both financially and operationally literate. The financial literacy of individual Board members need not be as extensive as that of members who sit on CGI's Audit and Risk Management Committee. Having operational literacy means that the director must have substantial experience in the execution of day to day business decisions and strategic business objectives acquired as a result of meaningful past experience as a chief executive officer or as a senior executive officer in another capacity but with a broad responsibility for operations.

The directors' experience and subject matter expertise is examined by the Committee annually when it reviews and makes recommendations to the Board of Directors in relation to succession planning for the Board of Directors in the context of the Board of Directors and standing committee self-evaluation process (see the heading *Participation in the Annual Self-Assessment Process* later in this document). Expertise in the industry vertical markets in which the Company operates, operational expertise and literacy, and financial literacy make up the key criteria that are used to select candidates for Board membership, to review and determine the composition of CGI's Board, and to assess the performance of directors annually as part of the annual Board of Directors and standing committee self-evaluation process. The Board of Directors' objective in relation to its composition is to ensure that it has expert representation for each of the Company's targeted vertical markets.

The members of the Board who serve on the Company's Audit and Risk Management Committee must be operationally literate and be financially literate in the sense of having 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 CGI's financial statements, and otherwise in keeping with applicable governance standards under applicable securities laws and regulations.

The Committee and the Board of Directors have determined that all members of the Audit and Risk Management Committee are financially literate and that two members of the Committee, the Committee Chair, Ms. Eileen A. Mercier, and Mr. Gilles Labbé have financial expertise as required by the New York Stock Exchange corporate

governance rules and the rules adopted by the U.S. *Securities and Exchange Commission* (“SEC”) in accordance with the *Sarbanes Oxley Act of 2002*. Mrs. Mercier acquired her expertise during the course of her career including in her capacity as *Senior Vice-President and Chief Financial Officer* of Abitibi-Price Inc. from 1990 to 1995, and Mr. Labbé is a Fellow of the *Institute of Chartered Accountants*.

The remaining members of the Audit and Risk Management Committee, Messrs. Claude Boivin and Richard B. Evans, are financially literate in the sense that they have the knowledge and skills necessary to allow them 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 CGI’s financial statements.

Mr. Claude Boivin acquired his financial literacy while serving as President and Chief Operating Officer of Hydro-Quebec prior to his retirement, and thereafter as a result of his service on the audit committees of Boralex Energy Income Fund and GLV Inc. and the Audit and Risk Management Committee of the Company. Prior to his current service on the Committee, Mr. Boivin was a member of the Committee from 1997 to 2006.

Mr. Richard B. Evans acquired his financial literacy while serving as Chief Executive of Rio Tinto Alcan (and as President and Chief Executive Officer of Alcan Inc. prior to its acquisition by Rio Tinto Plc). In his role as chief executive officer he was responsible for the supervision of the chief financial officer of the company and was ultimately responsible for operations as well as accounting and financial reporting.

Attendance at Board and Standing Committee Meetings

The Committee monitors director attendance and, in addition to considering attendance in relation to the recommendation for directors to be proposed for election at the Annual General Meeting of shareholders, the Committee discloses the attendance record for all directors in the Management Proxy Circular. The overall attendance rate for CGI’s Board of Directors for fiscal 2011 was 97% for the Board of Directors, 90% for the Audit and Risk Management Committee, 92% for the Human Resources Committee and 100% for the Corporate Governance Committee. Detailed meeting and attendance information is provided in the following table.

Board and Standing Committee Meetings and Attendance					
Year ended September 30, 2011					
Director	Board Meetings Attended		Committee Meetings Attended		
	6 regular meetings		Audit	5 regular meetings	
			Governance	3 regular meetings	
			Human Resources	4 regular meetings	
Claude Boivin	6 of 6	100%	Audit	5 of 5	100%
Bernard Bourigeaud	5 of 6	83%	Human Resources	3 of 4	75%
Jean Brassard	6 of 6	100%	Governance	3 of 3	100%
Robert Chevrier	6 of 6	100%	Human Resources (Chair)	4 of 4	100%
Dominic D’Alessandro	6 of 6	100%	Human Resources	4 of 4	100%
Thomas P. d’Aquino	6 of 6	100%	Governance	3 of 3	100%
Paule Doré	6 of 6	100%	Governance ^(a)	1 of 1	100%
Richard B. Evans	6 of 6	100%	Audit	5 of 5	100%
Serge Godin (Chair)	6 of 6	100%			
André Imbeau	6 of 6	100%			
Gilles Labbé	5 of 6	83%	Audit	4 of 5	80%
Eileen A. Mercier	5 of 6	83%	Audit (Chair)	4 of 5	80%
Michael E. Roach	6 of 6	100%			

(a) Mrs. Doré withdrew from the Corporate Governance Committee on March 28, 2011 and the table therefore shows her attendance up to the date of her resignation from the Committee.

Share Ownership Guidelines for Directors

A share ownership guideline was adopted for directors on June 15, 2004. CGI’s directors are required to hold at least 10,000 Class A subordinate shares or DSUs within the later of i) three years of their election or appointment

to the Board of Directors and ii) three years from the adoption of the guideline on June 15, 2004. All directors' holdings respect the guideline.

The share ownership on the part of the Company's outside directors as of December 13, 2011 and the date on which their holding must meet the minimum level of share ownership are set out in the following table.

Outside Directors' Share Ownership ^(a)							
Director	Year	Number of Class A subordinate voting shares	Number of DSUs	Total Number of shares and DSUs	Total "at risk" value of shares and DSUs ^(b)	Shares or DSUs to be acquired to meet minimum ownership level	Date by which minimum ownership level must be met
Claude Boivin	2011	104,596	9,150	113,746	\$2,147,524	n.a.	Complies with ownership guidelines
	2010	104,596	7,259	111,855	\$1,861,267		
	Change	n.a.	1,891	1,891	\$286,257		
Bernard Bourigeaud	2011	10,000	-	10,000	\$188,800	n.a.	Complies with ownership guidelines
	2010	3,332	-	3,332	\$55,444		
	Change	6,668	-	6,668	\$133,356		
Jean Brassard ^(c)	2011	1,021,504	3,882	1,025,386	\$19,359,288	n.a.	Complies with ownership guidelines
	2010	1,117,344	-	1,117,344	\$18,592,604		
	Change	(95,840)	3,882	(91,958)	\$766,684		
Robert Chevrier	2011	10,000	24,600	34,600	\$653,248	n.a.	Complies with ownership guidelines
	2010	10,000	20,314	30,314	\$504,425		
	Change	n.a.	4,286	4,286	\$148,823		
Dominic D'Alessandro	2011	10,000	6,174	16,174	\$305,365	n.a.	Complies with ownership guidelines
	2010	10,000	2,291	12,291	\$204,522		
	Change	n.a.	3,883	3,883	\$100,843		
Thomas P. d'Aquino	2011	-	24,277	24,277	\$458,350	n.a.	Complies with ownership guidelines
	2010	-	19,365	19,365	\$322,234		
	Change	n.a.	4,912	4,912	\$136,116		
Paule Doré	2011	99,774	11,521	111,295	\$2,101,250	n.a.	Complies with ownership guidelines
	2010	99,774	-	99,774	\$1,660,239		
	Change	n.a.	11,521	11,521	\$441,011		
Richard B. Evans	2011	10,000	7,266	17,266	\$325,982	n.a.	Complies with ownership guidelines
	2010	10,000	3,453	13,453	\$223,858		
	Change	n.a.	3,813	3,813	\$102,124		
Gilles Labbé	2011	-	3,767	3,767	\$71,121	6,233	January 27, 2013
	2010	-	1,145	1,145	\$19,053		
	Change	n.a.	2,622	2,622	\$52,068		
Eileen A. Mercier	2011	18,877	21,543	40,420	\$763,130	n.a.	Complies with ownership guidelines
	2010	21,877	18,706	40,583	\$675,301		
	Change	(3,000)	2,837	(163)	\$87,829		

(a) 2011 information is provided as of December 13, 2011 and 2010 information is provided as of December 13, 2010.

(b) Based on the closing prices of the Company's shares on the *Toronto Stock Exchange* on December 13, 2011 and December 13, 2010 respectively.

(c) The number of shares shown for Mr. Brassard combines the Class A subordinate voting shares and Class B shares owned or controlled, directly or indirectly, by Mr. Brassard.

Availability and Workload

The Board of Directors has endorsed the Committee's recommendation not to adopt formal guidelines on the number of boards or committees on which independent directors may sit on the basis that the contribution of each director to the work of the Board of Directors forms part of the Board of Directors self-assessment process and that arbitrary limits might not serve the interests of the Company.

Mrs. Eileen A. Mercier serves on the audit committees of two other companies, Mr. Richard B. Evans serves on the audit committees of two other companies, and Messrs. Boivin and Labbé do not sit on any other audit committees. The Board of Directors and the Committee have determined that the service of the members of the Audit and Risk Management Committee on other committees does not impair their capacity to serve the Company's Audit and Risk Management Committee effectively.

Conflicts of Interest

A process is in place for directors to acknowledge annually CGI's *Code of Ethics and Business Conduct* in the same way as officers and members, and all the directors have done so. All directors have also declared their interests in all other companies where they serve as directors or officers. The Board of Directors has endorsed the Committee's recommendation to maintain the practice of having directors tender their resignation for consideration upon a major change in their principal occupation.

Participation in the Orientation and Continuing Education Program

Each new director participates in a formal orientation and continuing education program. The program consists of a detailed presentation of the Company's current three-year strategic plan, coupled with a series of meetings between the new director and i) the Founder and Executive Chairman of the Board, ii) the Lead Director, iii) the President and Chief Executive Officer, iv) the Chair of each standing committee to which the director will be assigned, and v) other key senior executive officers of the Company. Depending on the director's experience and background and the results of the executive meetings, additional meetings may be scheduled. In addition to the executive briefings, new directors receive the CGI *Director Reference Binder*, a comprehensive set of documents containing both public and non-public information concerning the Company, which includes detailed information in relation to the Company; its operations; financial condition; management structure; policies and public disclosure record; the work programs and minutes of past meetings of the Board of Directors and of its standing committees; biographies of CGI's key senior officers; materials related to the director's duties and responsibilities, including, a synopsis of the Company's insurance coverage for directors and officers liability; CGI's *Guidelines on Timely Disclosure of Material Information and Transactions in Securities by Insiders* (see the heading *Guidelines on Disclosure of Information* later in this document); and the Company's process for reporting transactions in its shares carried out by its reporting insiders.

In addition to the formal orientation program, the continuing education program includes presentations on a variety of topics of interest, including on recent developments in the global information technology market, which are provided to the Board of Directors on a regular basis. Detailed presentations are also made to the standing committees of the Board of Directors on technical subjects such as the application of accounting principles in the preparation of the Company's financial statements, corporate governance rules and practices, and trends in executive and directors' compensation.

Directors also receive updates on business and governance initiatives as well as responses to questions raised by the members of the Board of Directors from time to time. Directors who wish to do so may make arrangements with the Corporate Secretary to participate, at CGI's expense, in board-level industry associations or conferences, to attend continuing education courses that are relevant to their role as a director of the Company or otherwise to pursue activities that contribute in a meaningful way to the value they bring to CGI's Board of Directors.

Participation in the Annual Self-Assessment Process

The Lead Director, in concert with the Committee, coordinates an annual self-assessment of the effectiveness of the Board of Directors as a whole, of the standing committees of the Board, and of the contribution of individual directors. The Committee is also responsible for establishing the competencies, skills and personal qualities it seeks in new Board members with a view to adding value to the Company, and directors are assessed against the contribution they are expected to make. This assessment is based on annual questionnaires to which directors respond.

Separate questionnaires cover the assessment of the Board as a whole and the individual directors' contributions. Once the responses are received, the Lead Director compiles and analyses the results. He then discusses the self assessments with each director. Following the one-on-one discussions with directors, the Lead Director then reviews the overall results of the self-assessment process with the Founder and Executive Chairman of the Board, and with the Chairs of the standing committees. The Committee then meets to review the results of the self-assessment process and subsequently presents the final result to the Board of Directors for discussion.

The Board of Directors reviews the assessment of its performance and the recommendations provided by the Committee annually with the objective of increasing the Board's effectiveness in carrying out its responsibilities. The Board of Directors takes appropriate action based on the results of the review process.

Retirement Age and Director Term Limits

The Board of Directors has endorsed the Committee's recommendation not to adopt a formal retirement age or term limits for directors.

CGI's success is due in large measure to the Company's experience and expertise in its vertical markets. The selection criteria for CGI's Board of Directors which are explained earlier in this document under the heading *Expertise and Financial And Operational Literacy* recognize this and are designed to ensure that the Company has subject matter experts on the Board of Directors who can effectively provide intelligence, experience, expertise and business and operational insight into each of the Company's industry vertical markets. Imposing a term limit or an arbitrary retirement age would unnecessarily expose the Company to losing valuable resources that could not be easily replaced. The Committee and the Board of Directors are therefore of the view that a mandatory retirement age or term limits might arbitrarily and needlessly deprive the Board of Directors of valuable resources.

As with the other aspects of CGI's corporate governance practices, director term limits and the Board of Directors retirement policy are reviewed annually. When the time comes to discuss term limits or a retirement age, the directors who would be affected in the event that such limits were adopted withdraw from the meeting and abstain from voting on the matter.

Nomination Process for the Board of Directors

The shareholders are responsible for electing CGI's directors. The responsibility for proposing candidates for election by the shareholders lies with the Board of Directors. The Board of Directors relies on the nomination recommendations of the Committee.

Based on the results of the Board of Directors self-evaluation (see the heading *Participation in the Annual Self-Assessment Process* earlier in this document) or on its own assessment from time to time of the needs of the Company, the Committee may recommend that the composition of the Board or its standing committees be varied in order to ensure that it continues to serve the best interests of the Company and to ensure an appropriate succession of directors. By way of example, when it is appropriate to do so, additional directors may be appointed to committees so as to ensure that knowledge is passed along in order to facilitate a smooth transition should the need arise.

When changes to Board of Directors composition are required, potential candidates are identified on the basis of their expertise and knowledge in the industry vertical markets in which the Company operates and their operational and financial literacy. The Committee, the Founder and Executive Chairman of the Board, the Chair of the Committee and the Lead Director consult with each other with respect to the actions to be taken and the necessary steps are then taken to evaluate the candidates and confirm their willingness to serve on the Board of Directors.

Once the selection of candidates is made, the Committee recommends to the Board of Directors that the candidate or candidates be either appointed by the Board of Directors if there is a vacancy to be filled, or be nominated for election at the next meeting of shareholders.

Board of Directors Participation in Strategic Planning

The Board of Directors is directly and closely involved in the preparation and approval of CGI's rolling three-year strategic plan which is reviewed and assessed annually by the Board of Directors.

CGI has adopted a bottom-up process for budgeting and strategic planning in order to ensure that the resulting business plan is as closely attuned as possible to maximizing the Company's business opportunities and mitigating operational and other risks. The Board of Directors receives a detailed briefing early in the planning process covering all aspects of CGI's strategic planning so that the directors are in a position to contribute to the process in a meaningful way before the final business plan has taken shape.

In keeping with CGI's three-year rolling strategic planning process, the strategic plan begins with the initiatives, directions and priorities identified at the business unit level by the Company's management team that are shared at the Company's annual Vice-Presidents' conference. The plan is then presented to the directors in July for review and discussion. In the next step, the plan is refined by management and is subsequently presented to the Board of Directors for approval in September. The rolling three-year planning process provides a meaningful opportunity for the directors to contribute to the strategic planning process. In addition to the formal planning process, every Board meeting agenda features a standing item entitled *Directors' Round Table* that serves as a forum for continuing free-ranging discussion between the Board and management in relation to the Company's strategic direction.

Guidelines on Disclosure of Information

CGI's *Guidelines on Timely Disclosure of Material Information and Transactions in Securities of CGI by Insiders* adopted by CGI's Board of Directors (the "Guidelines") set out the essential principles underlying the Company's disclosure practices in keeping with the rules of regulatory authorities and best disclosure practices. The Guidelines are contained in CGI's *Fundamental Texts* which may be found as Appendix A to CGI's *2011 Annual Information Form* which was filed with the Canadian securities regulatory authorities and which is available at www.sedar.com and on CGI's web site at www.cgi.com. A copy of the *2011 Annual Information Form* will be provided promptly to shareholders upon request.

Under the Guidelines, the Board of Directors has the responsibility to oversee the content of the Company's major communications to its shareholders and the investing public. The Board of Directors believes that it is management's role to communicate on behalf of the Company with its shareholders and the investment community. The Company maintains an effective investor relations process to respond to shareholder questions and concerns. In 2004, the Company adopted the *CGI Shareholder Partnership Management Framework* ("SPMF"). The SPMF structures the processes and information flows between CGI and its shareholders as well as with the investment community, including both the buy-side (institutional investors) and sell-side (investment dealers) research analysts. CGI obtained ISO 9001 certification for the application of the SPMF in the Company's operations.

As part of the SPMF process, CGI conducts a survey of sell-side analysts and institutional shareholders every year as a means of measuring shareholder satisfaction. The survey is designed to provide insights into investor sentiment and to improve the investor relations program.

The SPMF annual assessment conducted during the 2011 fiscal year returned an overall score for CGI of 8.1 out of 10 which compares favourably to the average score for other public companies of 7.6 out of 10, and 7.8 out of 10 for the IT services peer group.

Following the assessment, suggestions for improvement received in the course of the survey are acted upon as a means of assuring continuous improvement.

The Board of Directors reviews and, where required, approves statutory disclosure documents prior to their dissemination to the market and to the Company's shareholders.

The Charter of the Board of Directors which is incorporated by reference in this Management Proxy Circular (see the heading *Mandate, Structure and Composition of the CGI Board of Directors* earlier in this document) provides

that directors' duties include the oversight of the integrity of the Company's internal control and management information systems. The Audit and Risk Management Committee has the primary responsibility under its charter to review the internal control and management information systems of the Company. The Committee reports to the Board of Directors in that regard.

Directors' Compensation

The Human Resources Committee reviews directors' compensation periodically. In determining directors' remuneration, the Committee considers the directors' compensation offered by the companies comprised in the reference group of companies used as a guide in determining compensation matters, and the risks and responsibilities that the directors of the Company assume in keeping with the roles of the Board of Directors and of the standing committees. See the heading *Compensation of Directors* in the report of the Human Resources Committee earlier in this document.

Codes of Ethics and Business Conduct

CGI's *Code of Ethics and Business Conduct* and its *Executive Code of Conduct* are contained in CGI's *Fundamental Texts* which may be found as Appendix A to CGI's 2011 *Annual Information Form* which was filed with the Canadian securities regulatory authorities and which is available at www.sedar.com and on CGI's web site at www.cgi.com. A copy of the 2011 *Annual Information Form* will be provided promptly to shareholders upon request.

The Board of Directors monitors compliance with the *Code of Ethics and Business Conduct* and under the Board of Directors charter is responsible for any waivers of the codes' provisions granted to directors or officers. No such waivers have been granted to date.

It is the Committee that is principally responsible for the annual review of the *Code of Ethics and Business Conduct*, overseeing compliance with the code of ethics, reviewing any request to waive or exempt from its application, and making recommendations on these matters to the Board of Directors.

Under the terms of the *Code of Ethics and Business Conduct*, all of CGI's members are required to comply with the code and to see that it is complied with. The code requires that infractions be reported to management and the Corporate Secretary is specifically mandated with receiving reports of infractions and reporting them to the Committee and to the Board of Directors.

The Board of Directors has established procedures approved by the Audit and Risk Management Committee for the receipt, retention, and treatment of complaints regarding accounting, internal accounting control or auditing matters as well as other breaches of the *Code of Ethics and Business Conduct* or of the *Executive Code of Conduct*. In that regard, the Company adopted the *CGI Serious Ethical Incidents Reporting Policy* which allows members who wish to submit a complaint to do so via a third party ethics reporting hotline and secure web site which assures that members who wish to preserve their anonymity are able to do so with confidence. The Audit and Risk Management Committee is primarily responsible for receiving and dealing with these incident reports. A report on the process and on incident reports received is provided quarterly to the Audit and Risk Management Committee by the head of the internal audit department.

A program for the integration of new members ensures that new members receive an orientation that familiarizes them with CGI's policies, their responsibilities as members and the benefits to which they are entitled. In order to ensure that all CGI's members are aware of the importance that the Company attaches to compliance with the *Code of Ethics and Business Conduct*, each new member is informed about the code and the process for reporting ethics breaches, and is required to undertake in writing to comply with the code. This written undertaking is renewed annually at the same time as the member's evaluation.

CGI's *Leadership Institute* regularly provides an intensive series of courses designed to ensure that new managers are familiar with CGI's methods of operation and its policies, including the *Code of Ethics and Business Conduct* and the process for reporting breaches.

In addition, the Company provides an internet portal that ensures that all members have access to the Company's policies, including the code of ethics and the process for reporting breaches.

These measures are in addition to quarterly reports tabled with the Audit and Risk Management Committee by the internal audit department, the internal controls review function, and the legal department on matters for which they are responsible. These reports may include reports of breaches of the code of ethics when such breaches are raised in internal audit mandates or in claims made against the Company.

In addition to CGI's *Code of Ethics and Business Conduct*, CGI's principal executive and financial officers, including the *Founder and Executive Chairman of the Board*, the *Founder, Executive Vice-Chairman of the Board and Corporate Secretary*, the *President and Chief Executive Officer* and the *Executive Vice-President and Chief Financial Officer*, the principal accounting officer or controller, and other persons performing similar functions, are subject to CGI's *Executive Code of Conduct* which they are required to review and acknowledge on an annual basis.

CGI Federal Inc., the Company's operating subsidiary that provides services to the US federal government, has adopted specific policies and procedures to comply with specific requirements under US Federal government procurement laws and regulations.

Relationship with Shareholders and Decisions Requiring their Consent

In keeping with CGI's policy of seeking to align the interests of its three stakeholder groups (see the *Letter to Shareholders* on page iv earlier in this document), CGI implemented the SPMF which forms part of the Company's ISO certification. See the heading *Guidelines on Disclosure of Information* earlier in this document for a more detailed discussion of the SPMF.

In the normal course of operations certain corporate actions which may be material to CGI are initiated from time to time by the Company's senior management and, at the appropriate time, are submitted to CGI's Board of Directors for consideration and approval. When appropriate, such matters are also submitted for consideration and approval by CGI's shareholders. All such approvals are sought in accordance with the charters of the Board of Directors and standing committees, CGI's corporate governance principles and applicable corporate and securities legislation. Messrs. Serge Godin and André Imbeau, respectively CGI's *Founder and Executive Chairman of the Board* and *Founder, Executive Vice-Chairman of the Board and Corporate Secretary*, are members of the Board of Directors of CGI and, as of December 13, 2011, beneficially owned, directly or indirectly, or controlled or directed shares of CGI representing respectively 50.94% and 7.65% of the votes attached to all of CGI's outstanding voting shares.