Annual MIFIDPRU disclosure report: 31 March 2022

Adam & Company Investment Management Limited

Canaccord Genuity Wealth Management

1. Overview

1.1 Objective

This disclosure statement (the 'Statement') has been prepared by Adam & Company Investment Management Limited ('AIM', also referred to as the 'Company' or the 'Firm') in order to fulfil the regulatory disclosure requirements set out by the Financial Conduct Authority ('FCA') in the Prudential sourcebook for MiFID Investment Firms ('MIFIDPRU') Chapter 8.

In January 2022 the FCA introduced the Investment Firms Prudential Regime (IFPR), a new regime for UK firms authorised under the Markets in Financial Instruments Directive (MiFID). The regulation that formalises this regime is called MIFIDPRU.

1.2 Basis of disclosure

This report is prepared on an accounting individual basis and includes the following regulated entity:

Adam & Company Investment Management Limited ('AIM') (FRN 141831).

The report is not required to be reviewed by the Firm's auditor. Certain information has been omitted from the report if, in the opinion of the management of AIM, such information is of proprietary nature, price-sensitive, may intrude the privacy of the company's clients or would not change or influence the assessment or decision of market participants or other users of the report.

1.3 Frequency of disclosure

Unless otherwise stated, all figures are as at 31 March 2022, the Company's financial year end, with comparative figures for 31 March 2021 where relevant, in accordance with the rules set out in chapter 8 of MIFIDPRU.

MIFIDPRU 8 disclosures are published annually concurrently with the Annual Report and Accounts in accordance with regulatory guidelines.

1.4 Location

MIFIDPRU 8 disclosure report is available on the Firm's website at: https://www.canaccordgenuity.com/wealth-management-uk/legal-and-regulatory-information/legal--regulatory-information-uk/ under the 'Legal and Regulatory Information' section. Copies of the statement are available on request by writing to Investor Relations, 88 Wood Street, London, EC2V 7QR.

2. Corporate background

The Company is a subsidiary of Canaccord Genuity Group Inc. ('CGGI'), a Canadian company listed on the Toronto Stock Exchange. CGGI is a leading independent, full-service financial services firm, with operations in two principal segments of the securities industry: wealth management and global capital markets.

CGGI has Wealth Management offices located in the Canada, Australia, the UK and Crown Dependencies. CGGI's international capital markets division operates in North America, UK & Europe, Asia, Australia and the Middle East.

The Canaccord Wealth Management UK Group consists of AIM along with Canaccord Genuity Wealth Limited ('CGWL'), Hargreave Hale Limited ('HHL'), CG Wealth Planning Limited ('CGWPL') and Canaccord Genuity Financial Planning Limited ('CGFPL'). In October 2021 AIM was acquired from the Natwest Group by Canaccord Genuity Wealth Limited.

AIM provides a full spectrum of wealth management services including discretionary investment management and wealth planning.

Investment portfolio services

AIM has approximately £1.72billion of assets under management. Clients are predominantly private individuals but also include trusts, charities and institutions. Revenues are predominantly fees, based on a percentage of assets under management.

AIM provides ESG (environment, social and governance) investment management services to clients as a framework for investing in long-term structural change that makes the world better. The increase of ESG and climate focused investing is driven by investor demand, regulation and policy, global pledges (such as Net Zero), and performance opportunities and is an area of focus for AIM and its affiliates.

3. Risk Management objectives and policies

The CGWM UK Group, consisting of CGWL, AIM, HHL, CGWPL and CGFPL, has a centralised Risk Management function and processes which report into the Boards of each entity.

The Board of each CGWM entity has overall responsibility for the establishment and maintenance of an appropriate risk management framework. A Committee structure, reporting to the Board, is in place to ensure that procedures, controls and limits are consistent with a Board approved risk framework and appetite.

3.1 Organisational structure

Each CGWM entity operates with its own distinct Board. Current membership of the AIM Board is as follows:

- Non – executive Chairman
- CEO
- Executive director
- Non - executive director

The AIM Board is the 'responsible body' under the Internal Capital and Risk Assessment (ICARA) process which must be updated to reflect any changes to the Firm's business profile and in any case at least annually.

The table below shows the directors of the AIM Board along with the number of directorships held by each person across the wider CGWM UK Group and outside of CGWM UK Group as at 31 March 2022:

Name	Number of directorship (executive and non-executive) held by each member of AIM including CGWM UK
D Esfandi	10
G Storrie	1
S Massey	17
J McAleenan	7

AIM has also constituted separate Audit and Risk Committees.

The Board and its Audit Committee and Risk Committee operate within defined terms of reference which include a clear purpose and authority, duties and requirements for management information. They also have access to the minutes from their respective sub-committees.

The AIM Audit and Risk Committees meet quarterly and are both chaired by a non-executive director with membership including the Board's Non-Executive Chairman. These Committees are also attended by the CEO, CFO and COO, plus other Board members, Divisional Risk Committee ('DRC') and UK Compliance Committee members, internal auditors and external auditors as required. The AIM Risk Committee's terms of reference include the review of the risk management framework and reported exceptions. It is also responsible for considering the reports of the Risk Management and Compliance functions The AIM Audit Committee is responsible for considering plans and reports from its internal and external auditors.

The AIM Executive Committee ('ExCo') is the principal forum for conducting the business of the Company, and its members take day to day responsibility for the efficient running of the business. The ExCo is responsible for the implementation of Board strategy in conjunction with the CGWM UK Executive Committee.

The DRC is a management committee responsible for ensuring that appropriate risk mitigation is in place within CGWM and that the company's control environment is commensurate with its needs, based on the strategy and risk appetite adopted by the Board and the Executive Committee. It implements risk policies directed by the Board. The Committee meets five times per year and is chaired by the CGWM's Group Head of Compliance.

The role of the Remuneration Committee is set out in section 6.

3.2 Risk management overview

Identifying and profiling of principal harms and risks

AIM classifies risks using a hierarchical approach. The highest level (Level 1) identifies risks as Financial, Conduct, Operational or Other. The next level (Level 2) contains key risks and Level 3 includes detailed risks identified as a subset of Level 2 risks and are captured and maintained within risk registers for each entity and on a consolidated basis, which is the principal tool for monitoring risks. The classification ensures a structured approach to identifying all known material harms and risks to the business and those emerging risks which may impact future performance and is regularly reviewed.

In addition to the above, Management have incorporated the harms set out by the FCA within its risk assessment processes. All risks have been assessed to identify whether they pose a potential harm to clients, firm, the market, or any potential combination of the three. This information has then been used to identify the Group's profile with relation to regulatory defined 'Risk to Client', 'Risk to Firm' or 'Risk to Market'.

CGWM reviews and monitors its risk exposures closely, considering the potential impact and any management actions required to mitigate the impact of emerging issues and future events.

CGWM adopts a three lines of defence model to support its risk management framework. Under this framework CGWM ensures principal risks are identified through the application of the below.

First line of Defence

All employees are responsible for understanding operational risk, for appreciating how it can manifest itself in their day-to-day duties and for identifying and escalating any potential risk events. A major component of the identification and measurement of operational risk is the timely notification and reporting of risk events.

Second line of Defence

The Risk Management function and Compliance function maintain a level of independence from the first line. They are responsible for providing oversight and challenge of the first line's day-to-day management, monitoring and reporting of risks to both senior management and governing bodies.

Third line of Defence

The Internal Audit function is responsible for providing an independent assurance to both senior management and governing bodies as to the effectiveness of the Group's governance, risk management and internal controls.

Risk Appetite

In accordance with CGWM's methodology, risk appetite is defined as both the amount and type of risk the Company is prepared to take or retain in the pursuit of its strategy. The firm's appetite statements are subject to regular review to ensure they remain aligned to the firm's strategic goals. Within the risk appetite framework there are overarching parameters, alongside specific primary and secondary measures for each risk category. At least annually the AIM Board will formally review and approve the risk appetite statement and assess whether AIM has operated in accordance with its stated risk appetite measures during the year.

Risk Management provides a summary of risk exposure vs risk appetite at each AIM Board Meeting and Risk Committee meeting, considering the extent to which risk events or emerging trends result in the risk environment of the Company living within, challenging, or exceeding the stated appetite in each risk category.

The Company uses the services of the CGGI internal audit function and also outsources certain internal audit assignments to a firm of external specialists. Internal audit performs a programme of audit examinations as agreed by the Audit Committee.

3.1 Material Risks

The key level 1 risks facing the Company, are financial, conduct, and operational risks. Underlying each of these risks, the firm has identified level 2 risk categories which includes, but is not limited to, reputational, regulatory, processing, credit, market, and liquidity risk. Full details on the firm's risk taxonomy and principal risks are summarised below. In the case of risks related to financial instruments those are also detailed further in note 23 to the financial statements.

Financial Risk

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from deposits with banks. An impairment analysis is performed at each reporting date on an individual basis for major clients and counterparties. In addition, many minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Credit risk exposure arising from the placement of deposits with banks is mitigated through the placement of funds with banks with high credit ratings. The carrying amount of financial assets recorded in the financial statements, which is net of any impairment losses, represents the Company's maximum exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company is unable to generate sufficient cash or other liquid assets in a timely and cost-effective manner to meet its commitments as they become due. The Company has several systems, policies and processes in place to monitor and manage regulatory capital requirements, working capital needs and cash flows to help provide a sufficient buffer against liquidity risk.

Given the nature of the Company's business, the Company does not run liquidity mismatches. Financial liabilities are on the whole short term and the Company maintains sufficient cash resources to cover its immediate liabilities.

Market Risk

The Company has no direct exposure to market risk on its balance sheet however a significant proportion of its revenue stream is based on the value of the investments that it manages for clients. The Company mitigates this risk by active management of its clients' assets, by maintaining the ability to reduce costs in the event of revenue declines and by maintaining sufficient capital and liquidity buffers to absorb short term losses.

Conduct Risk

Business Model & Strategy Risk

Business model & strategy risk is the risk that does not respond in an optimal manner to changing market conditions such that sustainable growth, market share or profitability is adversely affected. This risk can arise from both strategic decisions which fail to consider the current operating environment or can be influenced by external factors such as material changes in regulation, or legislation within the financial services sector. The firm's business model is reviewed on a frequent basis within the context of its risk appetite statement.

Performance & Advice Risk

Performance & advice risk is the risk that clients receive inappropriate financial, planning or investment advice, inadequate documentation or unsuitable portfolios resulting in a failure to meet client's investment and/or other objectives or expectations. This can arise through a failure to appropriately understand the wealth management needs of our clients and a failure to apply suitable advice or investment strategies, along with having inadequate tools and systems in place to support our client facing financial professionals.

The firm has implemented a range of tools to support client facing financial professionals to ensure products and services are suitable and result in positive outcomes for clients. Furthermore, a centralised investment process, including advice and solution panels for wealth planning, is in place to ensure consistency across client portfolios and suitable models.

Regulatory Risk

The Company's business is regulated by the FCA, and a breach of regulations could lead to a fine or disciplinary action against the Company. The Company monitors actual and impending changes in regulation in order to assess the impact on its business and plans, to ensure any changes are implemented in a timely manner.

The firm has a dedicated Compliance function to provide advice and support the business in maintaining adherence to with the regulatory requirements. Furthermore, monitoring is in place to ensure operational adherence to systems and controls implemented by the firm for regulatory purposes.

Reputational Risk

Reputational risk is the risk that an entity's ability to conduct business will be damaged as a result of its reputation being tarnished, including as a result of regulatory censure. The Company has policies and procedures in place to manage this risk to the extent possible which include, inter alia, procedures for employee hiring, the taking on of new business and conduct of business rules. It also has policies and procedures to counter fraud and corruption.

Operational Risk

Business Change & Integration

Where the firm is undertaking a change initiative, there is the risk that planning or implementation of the change, including the integration of an acquired firm, is ineffective or fails to deliver the desired outcome. The impact of which may lead to unmitigated financial exposures. This risk can emerge if the business is too aggressive and unstructured within its change programme to manage project risks, resource capacity and capabilities to deliver business benefits. Failure may also result in adverse client outcomes, inefficiencies and economic cost or a reduction in the sustainability and effectiveness of the Company's operating model.

A Business Change Management Committee is in place to oversee all change activities ensuring that the level of change remains reasonable and proportionate in the context of business nature and size, and any identified risks are mitigated prior to implementation.

Business Continuity

Business continuity risk is the risk that an internal or external event results in either failure or detriment to core business processes or services. The firm is exposed to interruption of services which may impact its ability to conduct client business as a result of system failure, corruption or failure of network infrastructure, denial of access to premises, denial of services through a cyber security threat, cessation of a vendor or service provider, and failure in the firm's disaster recovery plan to address any particular incident. The firm has business continuity arrangements in place that are aligned with international standards to ensure and maintain resilience where a disruptive event was to occur.

Data Security & Integrity

Data security & integrity risk is the risk of a lack of integrity, inappropriate access to (or disclosure of) client or company sensitive information. This can risk can arise from the firm failing to maintain and keep secure at all times sensitive and confidential data through its operating infrastructure, including activities of employees and cyber threats.

Applicable information security and data privacy systems and controls have been put in place to manage and mitigate any exposure to this area of risk in accordance with industry standards and regulatory requirements.

Fraud Risk

The risk of fraudulent action, either internal or external, being taken against the firm and its clients. This risk can arise from failures to implement appropriate management controls to detect or mitigate impropriety either within or external to the business and services provided.

To mitigate this risk, all firm controls require segregation of duties and 4-eye checks were applicable. Furthermore, monitoring is undertaken across those areas considered to be of higher fraud risk.

Legal Risk

Legal risk is the risk of legal action being taken against the firm or failure to comply with legislative requirements resulting in financial loss and reputational damage. The risk can arise from inappropriate behaviour of individuals or from the inadequate drafting of the firm's contractual documentation. The firm has access to appropriate legal resources, internally and externally, to ensure all legal risks are mitigated.

Outsourcing Risk

Outsourcing risk is the risk that one or more third-party service providers fail to provide or perform outsourced services to standards expected by the firm, impacting the ability to deliver core services to its clients. This risk can arise due to significant unknown operational changes at key outsourced relationships, or material changes to their business model which affects their ability to provide the required services to the firm.

The firm has implemented appropriate third-party risk management tools to ensure that adequate information across a number of risk areas, such as legal, regulatory, data processing, operational resilience, etc., is gathered on all outsource providers and vendors. Performance of outsource providers and vendors is reviewed and considered on a periodic basis by management.

People Risk

People risk is the risk of loss of key staff, lack of skilled resources and inappropriate employee behaviour or actions. These could lead to lack of capacity or capability threatening the delivery of business objections or negative behaviours leading to complaints, regulatory action or litigation.
This risk can arise across all areas of the business as a result of resource management failures or from external factors such as increased competition or material changes in regulation. Support is provided to the business through its Human Resources department to ensure all potential people risks are mitigated.

Processing Risk
This is the risk that the design or execution of client/financial/settlement transaction processes (including dealing activity) are inadequate or fail to deliver an appropriate level of service and protection to client or company assets. This can arise due to failure of management to implement and control operational processes and systems to support the volumes of transactions processed on a daily basis.

The effectiveness of systems and controls implemented to mitigate processing risk are assessed on a periodic basis through the risk & control self-assessment process. Where risk event reporting identifies weaknesses in controls, lessons learned and enhancements are considered and implemented on a timely basis.

Other Risk

Concentration Risk
The firm recognises the risk that it could be overexposed to one particular client relationship which could materially impact its financial performance if it was to lose that relationship. This risk may arise if the firm does not have adequate tools to monitor exposure to client relationships to ensure that the firm maintains a diverse client base.

Management have monitoring tools in place to assess concentration exposure to particular clients or groups; enabling management to take appropriate action where required. The firm does not have any material concentration exposure beyond its business risk appetite.

4. Own Funds held

Under MIFIDPRU, AIM is required to disclose:

4.1 A reconciliation of common equity tier 1 items, additional tier 1 items, tier 2 items, and the applicable filters and deductions applied in order to calculate the Own Funds of the firm – see Table 1 below;

4.2 A reconciliation of 1 (above) with the capital in the balance sheet in the audited financial statements of the firm – see Table 2; and

4.3 A description of the main features of the common equity tier 1 instruments, additional tier 1 instruments and tier 2 instruments issued by the firm – see Table 3.

Table 1: Composition of regulatory own funds (31 March 2022)

	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	**Own funds**	2,963	n/a - sum of items below
2	**Tier 1 capital**	2,963	
3	**Common Equity Tier 1 capital**	**2,963**	
4	Fully paid up capital instruments	2,000	Note 13
5	Share premium	0	
6	Retained earnings	1,478	
7	Accumulated other comprehensive income	0	
8	Other reserves	0	
9	Adjustments to CET1 due to prudential filters	0	
10	Other funds	0	
11	**Total deductions from common equity Tier 1**	-515	
19	CET1: Other capital elements, deductions and adjustments	0	

	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
20	**Additional Tier 1 capital**	0	
21	Fully paid up, directly issued capital instruments	0	
22	Share premium	0	
23	Total deductions from additional Tier 1	0	
24	Additional Tier 1: Other capital elements, deductions and adjustments	0	
25	**Tier 2 Capital**	0	
26	Fully paid up, directly issued capital instruments	0	
27	Share premium	0	
28	Total deductions from Tier 2	0	
29	Tier 2: Other capital elements, deductions and adjustments	0	

Table 2: Own Funds: reconciliation of regulatory Own Funds to balance sheet in the audited financial statements

		Balance sheet as in published/audited financial statements (as at period end)	Under regulatory scope of consolidation (as at period end)	Crossreference to template OF1 (above)
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Property, plant and equipment	27	n/a	n/a
2	Deferred tax assets	515	n/a	n/a
3	Trade and other receivables	5,252	n/a	n/a
	Total Assets	**5,794**		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Long term staff retention bonus	734	n/a	n/a
2	Trade and other payables	596	n/a	n/a
3	Corporation tax payable	986	n/a	n/a
	Total Liabilities	**2,316**		
Shareholders' Equity				
1	Share capital	2,000	n/a	Item 4
2	Retained earnings	1,478	n/a	Item 6
	Total Shareholders' equity	**3,478**		

Table 3

Own funds: main features of own instruments issued by Adam & Company Investment Management Limited	
Capital instruments main features	
Issuer	Adam & Company Investment Management Limited
Governing law(s) of the instrument	Scotland
Instrument type	Equity
Regulatory treatment	
Transitional CRR rules	Common Equity Tier 1
Post-transitional rules	Common Equity Tier 1
Instrument type	Ordinary Shares
Amount recognised in regulatory capital (GBP thousands, as of most recent reporting date)	2,000
Nominal amount of instrument	2,000
Issue price	100%
Redemption price	Not Applicable
Accounting classification	Shareholders Equity
Perpetual or dated	Perpetual
Maturity date	Not Applicable
Issuer call subject to prior supervisory approval	No
Optional call date, contingent call dates and redemption amount	Not Applicable
Subsequent call dates, if applicable	Not Applicable
Coupons/dividends	
Fixed or floating dividend/coupon	Variable
Coupon rate and any related index	Not Applicable
Existence of a dividend stopper	No
Fully discretionary, partially discretionary or mandatory	Fully discretionary
Convertible or non-convertible	Non-convertible
Write-down features	No

5. Own Funds regulatory requirement

The level of regulatory capital that must be held to absorb losses is the 'Own Funds Threshold' requirements. AIM must hold Own Funds in sufficient quantity and quality in accordance with MIFIDPRU. The 'Own Funds' requirement is the higher of the following three items:

5.1 Permanent Minimum Capital – this is defined by the regulation and is £75,000 for AIM;

5.2 Fixed Overhead Requirement – this is equal to a quarter of AIM's overheads – this level is £1,799,038;

5.3 'K' factors which are applied to four key items explained in detail below. The K factor total is £343,233.

Therefore the Own Funds requirement is £1,799,038.

Additionally, the rules to determine the level of the Own Funds Threshold require that additional amounts need to be held in the event they are required to support an orderly wind down and to reflect the assessment of risks that relate to AIM. This has led AIM to conclude that additional capital is not required to be held over and above Own Funds requirement. AIM's Own Funds Threshold level is £1,799,038.

AIM's 'K' factors – more detail

- K-AUM – this is 0.02% multiplied by the amount of client assets AIM is managing/providing ongoing advice;

AIM presents the 'K' factor figures below in accordance with MIFIDPRU:

K factor	Value (£)
K-AUM + K-CMH + K-ASA	343
K-COH	-
	343

MIFIDPRU contains detail on other K factors which do not apply to AIM.

Meeting the Overall financial adequacy rule

AIM must always meet the 'overall financial adequacy rule'. This rule states that AIM must, at all times, hold Own Funds and liquid assets which are adequate, both in their amount and quality, to make sure AIM is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities. In addition, AIM must ensure that it has adequate own funds and liquid assets that its business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

AIM meets this requirement through regular monitoring of:

- Own Funds held by AIM compared with the Own Funds Thresholds calculated according to MIFIDPRU; and
- Liquid assets held by L compared with the Liquid Assets Thresholds calculated according to MIFIDPRU.

These assessments are dynamic and reflect the evolution of the 'K' factors above as well as the assessments of risks explained earlier.

However, based on this yearly snapshot, we can see that the Own Funds level of £2.96m is significantly in excess of the £1.80m Own Funds Threshold level.

Own Funds held by AIM	
Level of Own Funds held	£2.96m
Own Funds Threshold	£1.80m
Excess held	£1.16m

The equivalent position for liquidity is as follows:

Liquid assets held by AIM	
Core liquid assets	£1.26m
Liquid Assets Threshold	£0.60m
Excess held	£0.66m

ICARA process

Central to a firm's risk management framework under the regulatory regime is the Internal Capital Adequacy Assessment Process (ICARA), which is not only integral to how the firm manages risk but is also central to how the FCA manages the risk of the firm that it supervises.

As part of the ICARA process the AIM Board oversees and assesses:

- Identification and monitoring of risks or harms;
- Details of any financial and non-financial mitigations implemented;
- Forecast capital and liquidity needs on an ongoing basis and where the firm may have to wind-down;
- Determine appropriate and credible recovery actions to prevent breaching a threshold requirement;
- Undertake wind-down planning, and
- Assess the adequacy of the firm's own funds and liquidity requirements.

The ICARA should clearly set out the firm's assessment of its risks and harms post mitigation and whether further capital is required in addition to the requirements set out by the FCA, specifically FOR and K-factor. Any additional own funds are to be recorded and agreed within the ICARA process.

Scenario analysis is to be conducted and documented within the ICARA to assess the potential financial impact of specific events on the firm and whether the firm would remain a going concern.

The firm is required to provide information from the ICARA to the FCA on a periodic basis via a number of regulatory returns. The FCA have also implemented an annual ICARA questionnaire (regulatory return MIF007).

The outcome of the ICARA is formally approved by the AIM Board at least annually, with more frequent reviews if there is a fundamental change to the business or the operating environment.

6. Remuneration policy

6.1 Classification of the group

AIM as a non-SNI (small and non-interconnected) MIFIDPRU investment firm meets the conditions in MIFIDPRU 7.1.4R(1) for reduced disclosure requirements on the basis that the value of the firm's on and off-balance sheet items over the preceding 4-year period is a rolling average below £300million and AIM has no trading book assets.

6.2 Remuneration Committee

Whilst the Company does not meet the criteria of an Enhanced Remuneration Code firm, it has constituted a separate Remuneration Committee ('REMCO'), the members of which are two Non-Executive Directors. No members of the UK management team sit on the REMCO, although they are in attendance, if invited to be so, by the Chairman, and are able to make representations.

The REMCO is responsible for approving the general principles of remuneration plans and ensuring the balance of pay is in-line with market. The REMCO is afforded with the flexibility to choose remuneration structures which are most appropriate for the Company's strategy and business needs. Remuneration Structures include, but are not limited to, fixed salary, discretionary variable bonuses, equity deferral, buy-outs and guaranteed variable pay, personal hedging strategies, pension payments and early termination payments.

The REMCO is responsible for the approval of all compensation of the members of the Executive Committee and senior staff in control functions, including salary increases, bonuses and stock awards. REMCO will seek input from senior management and/or the control functions, as appropriate.

6.3 The role of the relevant stakeholders

The CEO and CFO are not members of the Remuneration Committee, although they do provide non-binding advice to it.

6.4 The link between pay and performance

Compensation payments are made up of a mixture of fixed salary paid monthly and a discretionary variable bonus, which is paid in cash and/or shares in Canaccord Genuity Group Inc. Total compensation includes a range of benefits associated with employment including, but not limited to, private health insurance, pension contributions and death in service insurance.

Remuneration is designed to reward performance, with the overall package intended to generally reflect market practice for any given role.

The Company's remuneration structure comprises a fixed salary element, which is intended to reflect an employee's professional experience and organisational responsibilities and is distinct from variable remuneration which is intended to reward performance in excess of that required to fulfil the employee's job description.

Discretionary variable bonuses are paid following a 6 month performance review of the financial period to which they relate. All variable pay awards are conditional, discretionary and contingent on sustainable and risk adjusted performance and therefore capable of clawback forfeiture or reduction at the employer's discretion.

6.5 Aggregate remuneration

The following information relates to the year ended 31 March 2022. All code staff are classified as senior management. Fixed remuneration includes both gross salary and employer payments to defined contribution pension plans. Variable remuneration includes cash bonuses and shares granted under long term share-based incentive plans.

During the year a total of 9 employees were categorised as Code staff. The Company has relied upon the disclosure exemption permitted in MIFIDPRU 8.6.8R(7) on the basis that disclosure of fixed and variable remuneration would result in the disclosure of information about one or two people.