

CANACCORD FINANCIAL INC.

Notice of Meeting

and

Management Information Circular

For the extraordinary general meeting of shareholders to be held at:

Garibaldi Room
Four Seasons Hotel
791 West Georgia Street
Vancouver, B.C.

on Friday, April 15, 2011
at 11:00 a.m. (Vancouver time)

THIS BOOKLET CONTAINS IMPORTANT INFORMATION FOR SHAREHOLDERS

CANACCORD FINANCIAL INC.

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

THIS BOOKLET CONTAINS:

- The notice of an extraordinary general meeting of shareholders
- The Management Information Circular
- Instructions on how to ensure your shares are voted at the Meeting

Shareholders are invited to attend an extraordinary general meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares of Canaccord Financial Inc. (the “**Company**”) on April 15, 2011. At the Meeting, Shareholders will be asked to consider and, if thought fit, pass, with or without variation, a special resolution, the full text of which is set forth in Appendix “A” to the accompanying Management Information Circular (a) to alter the Articles of the Company to clarify the rights, privileges, restrictions and conditions attached to the shares of the Company and to alter the authorized capital of the Company by creating an additional class of Preferred shares, (b) to alter the Notice of Articles of the Company to reflect the alteration of the Articles and (c) to authorize the directors of the Company to create special rights or restrictions for, and attach those special rights or restrictions to, any series of shares of any class, whether or not any or all of those shares have been issued. The proposed alteration of the Articles of the Company is more particularly described in the accompanying Management Information Circular and the full text of the proposed alteration is set out in Appendix “B” thereto.

Your presence (or your proxy if you are unable to attend in person) is important to us and we would like your support for all matters to be decided at the Meeting.

If you have any questions about the Management Information Circular, or how to vote, please contact Canaccord Investor Relations at +1 (416) 869-7293.

REGISTERED SHAREHOLDERS

PLEASE NOTE: If your shares are registered in your name (and you are therefore a registered Shareholder), then a proxy form is enclosed with this booklet. This proxy form may be used to vote your common shares if you are unable to attend the Meeting in person. Instructions on how to vote using this proxy form are found starting on page 3 of the Management Information Circular.

NON-REGISTERED BENEFICIAL SHAREHOLDERS

PLEASE NOTE: If you are **not** a registered Shareholder and your common shares are held on your behalf, or for your account, by a broker, securities dealer, bank, trust company or similar entity (an “**Intermediary**”), then a proxy form is not usually enclosed with this booklet. Instead, a voting instruction form (also known as a VIF) is usually enclosed. You may not be able to vote unless you carefully follow the instructions provided by the Intermediary with this booklet. Please also refer to page 4 of the Management Information Circular.

We hope that you will find the format of these proxy materials easy to read and, most importantly, easy to understand. We would welcome your comments and any suggestions for improvements.

March 21, 2011

To our Shareholders,

A recent review of Canaccord Financial Inc.'s corporate constitutional documents has indicated the need to update certain aspects of our Articles related to the capital structure of the Company. In order to update the Company's Articles, we have called a special meeting of shareholders.

If approved, the amendments described in this Management Information Circular will provide us with a wider range of financing options and more flexibility for the Company's capital structure. Importantly, these changes will improve our ability to manage our capital requirements, maintain our strong balance sheet, and undertake future business development opportunities, as efficiently as possible.

You are invited to attend the extraordinary general meeting of shareholders of the Company, which will be held in the Garibaldi Room at the Four Seasons Hotel, 791 West Georgia Street, Vancouver, B.C., on Friday, April 15, 2011 at 11:00 a.m. (Vancouver time). Alternatively, you may submit your vote electronically, by phone or by mail. Further instructions are described in detail in this Management Information Circular. To ensure that your vote is appropriately submitted for the Meeting, please follow the directions on your proxy or voting instruction form carefully.

On behalf of Canaccord's board, management team and employees, I thank you for your continued support.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Paul Reynolds', with a long horizontal stroke extending to the right.

Paul Reynolds

President & Chief Executive Officer
Canaccord Financial Inc.

CANACCORD FINANCIAL INC.

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the board of directors of Canaccord Financial Inc. (the “**Company**”) has called an extraordinary general meeting (the “**Meeting**”) of the shareholders of the Company for 11:00 a.m. (Vancouver time) on Friday, April 15, 2011 in the Garibaldi Room at the Four Seasons Hotel, 791 West Georgia Street, Vancouver, B.C.

As a shareholder, you are entitled to attend the Meeting and to cast one vote for each common share that you own. If you are a registered shareholder and are unable to attend the Meeting, you will still be able to vote by completing the proxy form included with the accompanying management information circular (the “**Circular**”). The Circular explains how to complete the proxy form and how the voting process works. **In order to vote at the Meeting, registered shareholders must submit the proxy form to the Company’s transfer agent, Computershare Investor Services Inc. at its Toronto offices no later than 5:00 p.m. (Toronto time) on Wednesday, April 13, 2011.**

If you are a non-registered beneficial shareholder, a proxy form will not usually be included with the Circular; instead, a voting instruction form (also known as a VIF) is usually enclosed. You must follow the instructions provided by your intermediary in order to vote your shares.

The following business will be conducted at the Meeting:

- (a) to consider and, if thought fit, pass, with or without variation, a special resolution, the full text of which is set forth in Appendix “A” to the Circular, (a) to alter the Articles of the Company to clarify the rights, privileges, restrictions and conditions attached to the shares of the Company and to alter the authorized capital of the Company by creating an additional class of Preferred shares, (b) to alter the Notice of Articles of the Company to reflect the alteration of the Articles and (c) to authorize the directors of the Company to create special rights or restrictions for, and attach those special rights or restrictions to, any series of shares of any class, whether or not any or all of those shares have been issued; and
- (b) to transact such other business as may properly come before the Meeting or any postponement or adjournment of the Meeting.

Specific details of the matters to be put before the Meeting are set forth in the Circular.

Dated on March 21, 2011.

By order of the Board of Directors
Martin L. MacLachlan
Corporate Secretary

INFORMATION FOR SHAREHOLDERS ABOUT THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

All information in this Management Information Circular is current as of March 18, 2011, unless otherwise indicated. Unless otherwise indicated or the context otherwise requires, the “Company” refers to Canaccord Financial Inc. and “Canaccord” and the “Canaccord Group” refers to the Company and its direct and indirect subsidiaries.

Additional information relating to the Company is on SEDAR at www.sedar.com.

Financial information of the Company is provided in the Company’s financial statements and management’s discussion and analysis (MD&A) for its most recently completed financial year and its most recently completed interim period. Shareholders may contact the Company to request copies of the Company’s financial statements and MD&A by sending an email with that request to investor.relations@canaccord.com.

This Management Information Circular (referred to as the “**Circular**”) is being sent by the management of the Company to all shareholders of the Company, together with a notice of an extraordinary general meeting of the shareholders (the “**Meeting**”) and documents required to vote at the Meeting. The Circular’s purpose is:

- to explain how you, as a shareholder of the Company, can vote at the Meeting, either in person or by transferring your vote to someone else to vote on your behalf;
- to request that you authorize the Company’s Group Chairman (or his alternate) to vote on your behalf in accordance with your instructions set out on the proxy form;
- to inform you about the business to be conducted at the Meeting; and
- to give you important background information to assist you in deciding how to vote.

No person has been authorized to give any information or to make any representation in connection with the matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized. This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or a proxy solicitation. Neither the delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth in this Circular since the date as of which such information is given in this Circular.

Shareholders should not construe the contents of this Circular as tax, financial or legal advice and should consult with their own tax, financial, legal or other professional advisors as to the relevant tax, financial, legal or other matters in connection herewith.

BUSINESS OF THE MEETING

The Meeting will be constituted as an extraordinary general meeting of Shareholders. At the Meeting, Shareholders will be asked to consider and, if thought fit, pass, with or without variation, a special resolution (the “**Special Resolution**”), the full text of which is set forth in Appendix “A” to this Circular (a) to alter the Articles of the Company to clarify the rights, privileges, restrictions and conditions attached to the shares of the Company and to alter the authorized capital of the Company by creating an additional class of Preferred shares, (b) to alter the Notice of Articles of the Company to reflect the alteration of the Articles and (c) to authorize the directors of the Company to create special rights or restrictions for, and attach those special rights or restrictions to, any series of shares of any class, whether or not any or all of those shares have been issued. The full text of the proposed alteration of the Articles of the Company to add an Article 25A is set out in Appendix “B” to this Circular.

Alterations to the Preferred Share Terms

In order to ensure that the Company has appropriate flexibility with respect to possible future financing arrangements, it is proposed that the authorized share structure of the Company be altered to consist of common shares (“**Common shares**”) and two classes of Preferred shares: the First Preferred shares and the Second Preferred shares. Each class of Preferred shares will rank in priority over the Common shares and any other shares of the Company ranking by their terms junior to such class of Preferred shares and the First Preferred shares will rank in priority over the Second Preferred shares, in each case with respect to the payment of dividends and the distribution of assets or return of capital in the event of the liquidation, dissolution or winding up of the Company. The Company will be authorized to issue the First Preferred shares and the Second Preferred shares, each in one or more series having such specific rights, privileges, restrictions and conditions as the Board of Directors may fix at any time and from time to time. There are currently no Preferred shares issued or outstanding.

The full text of the proposed alteration of the Articles of the Company to add an Article 25A is set out in Appendix “B” to this Circular.

Special Resolution

To be effective, the Special Resolution must be approved by at least two-thirds of the votes cast by the Shareholders, voting together, in person or by proxy at the Meeting. The full text of the Special Resolution is set out in Appendix “A” to this Circular. **The Board of Directors unanimously recommends that Shareholders vote in favour of the Special Resolution.**

If you return a form of proxy but do not give any instructions or specify how you would like your shares to be voted, then your shares will be voted in favour of the Special Resolution.

The Special Resolution provides that the Board of Directors of the Company may, in its sole discretion, and without further notice to or approval by the Shareholders, revoke the Special Resolution, in whole or in part, at any time prior to the alteration of the Articles of the Company becoming effective.

EXECUTIVE COMPENSATION

Disclosure regarding compensation of the directors of the Company, compensation of the named executive officers of the Company, the equity compensation plans of the Company and the Company's compensation discussion and analysis may be found at pages 22 to 35 of the Company's management information circular dated May 19, 2010 under the headings "Compensation Discussion and Analysis", "Performance Graph", "Compensation of Directors", "Securities Authorized for Issuance under Equity Compensation Plans – Long Term Incentive Plan (LTIP)" and "Securities Authorized for Issuance under Equity Compensation Plans – Share Option Plan", which sections are incorporated by reference herein.

AUDITORS OF THE COMPANY

Ernst & Young LLP has been appointed the auditors of the Company to hold office until the close of the next annual meeting of Shareholders.

SOLICITATION OF PROXIES

Your vote is being solicited by or on behalf of management of the Company.

The Company expects that the solicitation will be primarily by mail, but also may include telephone, email, fax or oral solicitations by the directors, officers, employees or agents of the Company or its subsidiaries. If the Company does not receive your proxy by a certain time you may receive a telephone call asking you to vote. The Company does not reimburse directors, officers, employees or agents of the Company or its subsidiaries involved in the solicitation of proxies. The cost of soliciting proxies is borne by the Company and its subsidiaries.

If you have any questions about this Circular or how to vote, please contact Canaccord Investor Relations at +1 (416) 869-7293.

Voting and appointment of proxy

Your rights to attend and vote at the Meeting depend on whether you are a **registered Shareholder** (that is, the shares of the Company are actually registered in your name) or a **non-registered beneficial shareholder** (for example, a Person who holds shares of the Company through a broker or a bank).

Registered shareholders

If you are a registered Shareholder, you may attend the Meeting in person. You may also appoint someone (known as a proxyholder) to represent you at the Meeting and vote on your behalf. If you complete and submit the proxy form without alteration, then you will have appointed the Company's Group Chairman (or his alternate) to attend the Meeting and vote on your behalf.

You have the right to appoint a person or company to represent you at the Meeting other than the persons designated in the proxy form. If you wish to appoint some other person or company to represent you at the Meeting, you may do so by striking out the names of the persons designated in the proxy form and inserting the name of the person or company to be appointed in the blank space provided and signing the proxy form.

If you wish to vote at the Meeting by proxy, you must either (a) complete and sign the proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), or (b) follow the instructions in the proxy to vote by telephone or on the Internet. In order to be valid, the telephone or Internet voting must be completed or the proxy must be received by Computershare at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, or by fax at +1 (866) 249-7775 (toll free in Canada and the United States) or +1 (416) 263-9524 (outside Canada and the United States), no later than 5:00 p.m. (Toronto time) on Wednesday, April 13, 2011 or in the case of any adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting.

Even if you give a proxy, as a registered shareholder, you may still attend and vote in person at the Meeting.

Revoking your proxy

A proxy is revocable. If you have given a proxy, you (or your attorney authorized in writing) may revoke the proxy by giving notice of the revocation in writing at the Company's registered office, located at 1000 – 840 Howe Street, Vancouver, British Columbia V6Z 2M1, at any time up to and including the last business day before the Meeting or to the chair of the Meeting before any vote in respect of which the proxy is given. The notice of the revocation must be signed as follows: (a) if you are an individual, then the notice must be signed by you or your legal personal representative or trustee in bankruptcy and (b) if you are a corporation, then the notice must be signed by the corporation or by a representative appointed for the corporation in accordance with the articles of the Company.

Non-registered beneficial shareholders

If your Common shares are not registered in your own name, then they are being held in the name of an intermediary (which is usually a trust company, a securities dealer or broker, a bank or another financial institution) or in the name of a clearing agency such as the Canadian Depository for Securities Limited. You are usually called either a non-registered or a

beneficial shareholder or owner. These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

There are various procedures for the voting of your Common shares, and these procedures may vary among intermediaries and clearing agencies in ways over which the Company has no control. **If you are a beneficial shareholder, you should carefully follow the instructions of the intermediary or clearing agency, including instructions regarding when and where any voting instruction form or proxy form is to be delivered.**

Typically, you will receive one of the following:

1. **A Computershare voting instruction form.** This is a form also known as a VIF. If you receive a VIF and wish to vote at the Meeting, you must either (a) complete the VIF and return it to Computershare or (b) follow the instructions in the VIF to vote by telephone or on the Internet. The telephone or Internet voting should be completed or the VIF should be received by Computershare at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, or by fax at +1 (866) 249-7775 (toll free in Canada and the United States) or +1 (416) 263-9524 (outside Canada and the United States), no later than 5:00 p.m. (Toronto time) on Wednesday, April 13, 2011 or in the case of any adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting. If you wish also to **attend** the Meeting in person and vote (or have another person attend and vote on your behalf), you must follow the instructions in the VIF. Unless you follow these instructions you will not be permitted to attend the Meeting in person.

2. **A facsimile signed proxy.** This is a proxy which has been signed by the intermediary (typically by a facsimile, stamped signature) and already indicates the number of Common shares you beneficially own but that is otherwise uncompleted. You do not need to sign this form. If you receive a facsimile signed proxy and you wish to vote at the Meeting, you must properly complete and sign the proxy and deposit it with Computershare at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, or by fax at +1 (866) 249-7775 (toll free in Canada and the United States) or +1 (416) 263-9524 (outside Canada and the United States), no later than 5:00 p.m. (Toronto time) on Wednesday, April 13, 2011 or in the case of any adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting. If you wish also to **attend** the Meeting in person and vote (or have another person attend and vote on your behalf), simply strike out the names of the persons indicated in the proxy form and insert your (or such other person's) name in the blank space provided.

3. **A Broadridge proxy form.** This is a form of proxy provided by Broadridge Financial Solutions ("**Broadridge**") in accordance with arrangements often made by brokers to delegate the responsibility for obtaining voting instructions to Broadridge. If you receive a Broadridge proxy form and wish to vote at the Meeting, you must return the Broadridge proxy form to

Broadridge or follow the instructions on the form for telephone voting. Broadridge will tabulate the results and then provide instructions to Computershare respecting the voting of shares to be represented at the Meeting. You must return the proxy to Broadridge or give the telephone voting instructions well in advance of the Meeting in order to have your shares voted. If you wish also to **attend** the Meeting in person and vote (or have another person attend and vote on your behalf), simply strike out the names of the persons indicated in the proxy form and insert your (or such other person's) name in the blank space provided.

If you have any questions about this Circular or how to vote, please contact Canaccord Investor Relations at +1 (416) 869-7293.

Revoking your proxy

A non-registered shareholder may revoke a proxy or voting instruction form which has been given to an intermediary by written notice to the intermediary. In order to ensure that an intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the intermediary well in advance of the Meeting.

Provisions relating to voting of proxies

If you are a registered Shareholder and submit a proxy in the form of the proxy form enclosed in the mailing to registered Shareholders (the “**Proxy**”), then the shares represented by the Proxy will be voted for, against or withheld from voting, as applicable, in accordance with your instructions on any ballot that may be called for and, if you specify a choice to vote for, against or withhold from voting, as applicable, with respect to any matter to be acted upon, the shares will be voted accordingly. **If you return a form of proxy but do not give any instructions or specify how you would like your shares to be voted, then your shares will be voted in favour of the Special Resolution.**

The Proxy gives the person named in it the discretion to vote as he or she sees fit on any amendments or variations to matters identified in the notice of meeting and on any other matters which may properly come before the Meeting. At the date of this Circular, the management of the Company is not aware of any of those amendments, variations or other matters which may come before the Meeting other than those referred to in the notice of meeting.

Significant equity restrictions

Pursuant to rules established by certain securities regulatory authorities in Canada and the United States, the ownership of shares of an investment dealer or broker dealer is subject to certain restrictions. To enable the Company and its subsidiaries to comply with these requirements, the articles of the Company contain the following provisions.

At any time if proxies are solicited from shareholders at any meeting of shareholders or before such a meeting, the Company may require a declaration with respect to the holding of shares of the Company as beneficial owner and any other matter that the directors consider relevant

to determine if the holding of shares by any person could violate the articles or applicable legislative or regulatory requirements.

The Company has the power to withdraw the voting rights of any share of any class if:

- (a) a person beneficially owns or controls, directly or indirectly, a “significant equity interest” in the Company and has not obtained the required approvals from all relevant securities regulatory authorities;
- (b) a person who wishes to exercise voting rights, in person or by proxy, refuses to sign and deliver, with respect to his or her beneficial ownership of shares of the Company, a declaration or other information reasonably necessary to assist the directors in making their determinations under the articles; or
- (c) if the directors have determined, on the basis of the declaration or information provided by a person who wishes to exercise voting rights, that such person may own or control, directly or indirectly, a “significant equity interest” in the Company and has not obtained the required approvals from all relevant securities regulatory authorities.

For these purposes, a “significant equity interest” in the context of the Company means:

- (a) in respect of the applicable rules of the Investment Industry Regulatory Organization of Canada Inc. and the TSX Venture Exchange Inc., the holding of: (i) voting securities carrying 10% or more of the votes carried by all voting securities of the Company, (ii) 10% or more of the outstanding participating securities of the Company or (iii) an interest of 10% or more of the total equity in Canaccord Genuity Corp. (a wholly-owned subsidiary of the Company);
- (b) in respect of the applicable rules of the Toronto Stock Exchange, the holding, directly or indirectly and alone or in combination with any other person, of securities: (i) carrying 20% or more of the votes carried by all voting securities, (ii) carrying the right to receive 20% or more of any distribution of earnings and (iii) accounting for 20% or more of the total capital or equity of the Company;
- (c) in respect of the applicable rules of the Bourse de Montréal Inc. (where a significant equity interest is referred to as a “major position”), having the power to direct or cause the direction of the management or policies of Canaccord Genuity Corp. whether through ownership of securities, by contract or otherwise, and a Person is considered to hold a major position in the capital of the Company pursuant to the rules of the Bourse if such person, directly or indirectly: (i) has the right to vote 10% or more of the voting securities or (ii) is entitled to receive 10% or more of the net profits of the Company;

- (d) in respect of the applicable rules of the Autorité des marchés financiers in Québec, the direct or indirect ownership or holding of more than 10% of the voting rights attached to securities issued by the Company; and
- (e) in respect of the applicable rules of the Financial Industry Regulatory Authority (FINRA) in the United States, a change in the equity ownership of the Company that results in one person or entity directly or indirectly owning or controlling 25% or more of the equity.

The *Financial Services and Markets Act 2000* (UK) places an obligation on controllers and proposed controllers of Canaccord Genuity Limited to obtain the approval of the Financial Services Authority before becoming a controller or increasing the level of control held (in certain circumstances). Failure to obtain approval is an offence under section 191(3) of the *Financial Services and Markets Act 2000* (UK). A “controller” in the context of Canaccord Genuity Limited is a Person who (along with his or her associates) holds 10% or more of the shares in the Company or is able to exercise significant influence over the management of the Company through his or her shareholding in the Company.

Quorum

The Articles of the Company provide that a quorum for the transaction of business at the Meeting is two persons who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

Voting securities and principal holders of voting securities

The directors of the Company have set March 14, 2011 as the Record Date for determining which Shareholders are entitled to vote at the Meeting. Only registered Shareholders on March 14, 2011 are entitled to vote at the Meeting or at any adjournment or postponement of the Meeting. Each registered Shareholder has one vote for each Common share held at the close of business on March 14, 2011. On that date, the Company had 82,894,277 Common shares outstanding.

To the knowledge of the directors and executive officers of the Company, as of March 14, 2011, there was no person or company which beneficially owned, or controlled or directed, directly or indirectly, Common shares carrying 10% or more of the voting rights attached to the Common shares.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Company, except as described below, no informed person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of Canaccord and no known associate or affiliate of any such informed person, has or has had any material interest, direct or indirect, in any transaction since April 1, 2009, or in any proposed transaction which has materially affected or would materially affect the Canaccord Group.

David Kassie, the Group Chairman and a director of the Company; Philip Evershed, a director of the Company; and Joao Esteireiro, Dvaipayan Ghose, Earl Rotman, Barry Goldberg, Daniel Daviau, Edward Hirst and David Morrison, who are all executive officers of Canaccord Genuity Corp., a wholly-owned subsidiary of the Company, had the interests in the acquisition of Genuity Capital Markets which are described in the management information circular dated March 24, 2010, for the special meeting of shareholders held on April 22, 2010, under the headings “The Acquisition” and “The Company After the Acquisition”, which sections are incorporated by reference herein, and the Business Acquisition Report dated May 10, 2010, which is incorporated by reference herein.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the persons who are or have been directors or executive officers of the Company at any time since April 1, 2009, or the associates or affiliates of those persons have any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

OTHER MATTERS TO BE ACTED UPON

It is not known whether any other matters will come before the Meeting other than those set forth above and in the notice of meeting, but if any other matters do arise, the Persons named in the Proxy intend to vote on any poll, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters ratified in the notice of meeting and other matters which may properly come before the Meeting or any adjournment or postponement of the Meeting.

Dated on March 21, 2011.

By order of the Board of Directors
Martin L. MacLachlan
Corporate Secretary

**APPENDIX “A”
SPECIAL RESOLUTION**

BE IT RESOLVED, AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS, THAT:

1. The Articles of Canaccord Financial Inc. (the “**Company**”) be altered by adding Article 25A in substantially the form set out in Appendix “B” to the Management Information Circular of the Company dated March 21, 2011, to clarify the rights, privileges, restrictions and conditions attached to the shares of the Company and to alter the authorized capital of the Company by creating an additional class of Preferred shares, with such amendments as may be approved by the Board of Directors of the Company, such alteration to take effect upon the Notice of Articles of the Company being altered accordingly;
2. The Notice of Articles of the Company be altered to reflect the alterations of the Articles of the Company authorized by the previous resolution;
3. The directors of the Company be and are hereby authorized in furtherance of, and subject to, the Articles of the Company as altered by these resolutions to create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any series of any class of shares of the Company, whether or not any or all of those shares have been issued;
4. Notwithstanding that this special resolution has been duly passed by the shareholders of the Company, the Board of Directors of the Company may, in its sole discretion, and without further notice to or approval by the shareholders of the Company, revoke this special resolution, in whole or in part, at any time prior to such alteration of the Articles of the Company becoming effective; and
5. Any director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to execute, file and deliver or cause to be executed, filed and delivered all such agreements, instruments and other documents and to do or cause to be done all such other acts or things, for, in the name of and on behalf of the Company (whether under the seal of the Company or otherwise) as such individual may determine to be necessary or desirable to give effect to this special resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution, filing and delivery of any such agreement, instrument or other document, or the doing of any such act or thing.

APPENDIX “B”
PROPOSED ALTERATION TO THE ARTICLES OF THE COMPANY

25A *Authorized Share Structure*

The authorized share structure of the Company is as follows:

- (1) An unlimited number of common shares (the “**Common shares**”), without nominal or par value, having attached thereto the rights, privileges, restrictions and conditions as set forth below:
 - (a) The holders of the Common shares shall be entitled to receive notice of and to vote in person or by proxy at every meeting of the shareholders of the Company and shall have one vote thereat for each Common share so held, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series;
 - (b) Subject to the rights, privileges, restrictions and conditions attached to any Preferred shares of the Company and to any other shares of the Company ranking senior to the Common shares with respect to priority in the payment of dividends, the directors of the Company may, at any time and from time to time, declare a dividend and the form of dividend, and in the case of a cash dividend, the Company shall pay thereon out of the monies of the Company properly applicable to the payment of the dividends to the holders of Common shares. For the purpose hereof, the holders of Common shares shall receive dividends as may be determined from time-to-time by the directors of the Company whose determination shall be conclusive and binding upon the Company and the holders of Common shares; and
 - (c) Subject to the rights, privileges, restrictions and conditions attached to any Preferred shares of the Company and to any other shares of the Company ranking senior to the Common shares with respect to priority in the distribution of assets upon liquidation, dissolution or winding-up of the Company, in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of Common share shall be entitled to share equally in the remaining property and assets of the Company.

(2) An unlimited number of Preferred shares as a class (the “**First Preferred shares**”), without nominal or par value, issuable in series and having attached thereto, as a class, the rights, privileges, restrictions and conditions as set forth below:

- (a) The First Preferred shares shall be entitled to preference over the Common shares, the Second Preferred shares and any other shares of the Company ranking junior to the First Preferred shares with respect to the payment of dividends, if any, and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, and may also be given such other preferences over the Common shares, the Second Preferred shares and any other shares of the Company ranking junior to the First Preferred shares, as may be fixed by resolution of the directors as to the respective series of First Preferred shares;
- (b) The First Preferred shares of each series, if any, shall rank equally with the First Preferred shares of every other series of First Preferred shares with respect to priority in the payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs; and
- (c) The First Preferred shares may, at any time and from time to time, be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be fixed by the directors of the Company. The directors may, before issuance and subject as hereinafter provided, create one or more series of the First Preferred shares and determine the designation, rights, privileges, restrictions and conditions attaching to the First Preferred shares of each series including, without limitation:
 - (i) the rate, the period or periods during which such rate shall apply, the amount or method of calculation and the priority of any dividends, whether cumulative, non-cumulative or partially cumulative, and whether such rate, amount, method of calculation or priority shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof, the date or dates from which any such dividends shall accrue or become payable, and the priority of the payment of any dividends or arrears of dividends;
 - (ii) any rights of redemption or purchase by the Company for cancellation or otherwise, any fixed dates or periods of time applicable to any right of redemption or purchase, the price or prices applicable to any right of redemption or purchase, whether all or less than all of any such series is to be redeemed or purchased, and any other terms and conditions of any such rights;
 - (iii) any rights of retraction vested in the holders of any series, the price or prices applicable to any right of retraction, the terms and conditions of any such rights, and whether any other rights of retraction may be vested in such holders in the future;

- (iv) any voting rights;
- (v) any conversion rights;
- (vi) any rights to receive the remaining property of the Company upon dissolution, liquidation or winding-up and the amount of any such rights, and the rank or priority of any such rights over other classes or series of shares, including priority in any distribution of assets upon liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary;
- (vii) provisions for any sinking fund or purchase fund associated with any series of First Preferred shares;
- (viii) the rank or priority of the First Preferred shares or any series over any other class or series of shares permitted by law;
- (ix) any approval to be given by the holders of any series with respect to approval of any amendments to the rights, privileges, restrictions or conditions attaching to that series; and
- (x) any other provisions attaching to any such series of the First Preferred shares.

(3) An unlimited number of Preferred shares as a class (the “**Second Preferred shares**”), without nominal or par value, issuable in series and having attached thereto, as a class, the rights, privileges, restrictions and conditions as set forth below:

- (a) The Second Preferred shares shall be subject to the prior rights of the First Preferred shares and shall be entitled to preference over the Common shares and any other shares of the Company ranking junior to the Second Preferred shares with respect to the payment of dividends, if any, and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, and may also be given such other preferences over the Common shares and any other shares of the Company ranking junior to the Second Preferred shares, as may be fixed by resolution of the directors as to the respective series of the Second Preferred shares;
- (b) The Second Preferred shares of each series, if any, shall rank equally with the Second Preferred shares of every other series of Second Preferred shares with respect to priority in the payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs; and
- (c) The Second Preferred shares may, at any time and from time to time, be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be fixed by the directors of the Company. The directors may, before issuance and subject as hereinafter provided, create one or more series of the Second Preferred shares and determine the designation, rights, privileges, restrictions and conditions attaching to the Second Preferred shares of each series including, without limitation:
 - (i) the rate, the period or periods during which such rate shall apply, the amount or method of calculation and the priority of any dividends, whether cumulative, non-cumulative or partially cumulative, and whether such rate, amount, method of calculation or priority shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof, the date or dates from which any such dividends shall accrue or become payable, and the priority of the payment of any dividends or arrears of dividends;
 - (ii) any rights of redemption or purchase by the Company for cancellation or otherwise, any fixed dates or periods of time applicable to any right of redemption or purchase, the price or prices applicable to any right of redemption or purchase, whether all or less than all of any such series is to be redeemed or purchased, and any other terms and conditions of any such rights;

- (iii) any rights of retraction vested in the holders of any series, the price or prices applicable to any right of retraction, the terms and conditions of any such rights, and whether any other rights of retraction may be vested in such holders in the future;
- (iv) any voting rights;
- (v) any conversion rights;
- (vi) any rights to receive the remaining property of the Company upon dissolution, liquidation or winding-up and the amount of any such rights, and the rank or priority of any such rights over other classes or series of shares, including priority in any distribution of assets upon liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary;
- (vii) provisions for any sinking fund or purchase fund associated with any series of Second Preferred shares;
- (viii) the rank or priority of the Second Preferred shares or any series over any other class or series of shares permitted by law;
- (ix) any approval to be given by the holders of any series with respect to approval of any amendments to the rights, privileges, restrictions or conditions attaching to that series; and
- (x) any other provisions attaching to any such series of the Second Preferred shares.

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